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GOVERNMENT OF INDIA

FINANCE DEPARTMENT (CENTRAL REVENUES)

MEMORANDUM

ON

EXCISE (INTOXICATING LIQUORS) ADMINISTRATION IN INDIA

FOR

110284

1932-33, 1933-34 & 193

18TH EDITION

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PUBLISHED BY MANAGER OF PUBLICATIONS, DELHI.
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, NEW DELHI.
1935
Price Rs. 12 As. 2 or 19s. 6d.

ADM
354.5110724711
Ind / Mem
110284

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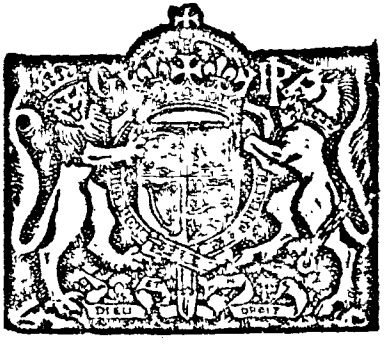

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PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, NEW DELHI.
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CHAPTER I.

MADRAS.

1. *Excise Revenue.*—The total Excise Revenue for 1932-33 amounted to Rs. 427·62 lakhs* distributed under the following heads :—

Heads.	Receipts in lakhs of rupees.	Percentage of total Excise Revenue.
1. Country spirit	143·55	33·6
2. Toddy (Tari)	208·00	48·6
3. Duty on country made spirit excised at Rs. 21-14-0 per proof gallon	6·55	1·5
4. Country beer	4·25	1·0
5. Vend fees on import of liquor, etc.	3·40	0·8
6. Opium and its preparations	36·57	8·6
7. Hemp drugs	20·42	4·8
8. Miscellaneous	4·88	1·1
Total	427·62	100·0

During the year 1931-32 the total excise revenue amounted to Rs. 426·48 lakhs and the revenue realised from country spirit was Rs. 154·62 lakhs against Rs. 197·75 lakhs in 1930-31. The corresponding figures for the year 1912-13 were Rs. 330·29 lakhs (total) and 144·57 lakhs (country spirit) respectively (*cf.* Statements VII and VIII). The net revenue from excise during the year 1932-33 shows an increase of about 26·02 per cent. on the corresponding figure of 1912-13 and an increase of about 1·18 per cent. on that of the preceding year.

This memorandum is concerned with the first 5 items only.

Law regulating liquor traffic.

2. The liquor traffic is regulated under the provisions of the Madras Abkari Act (I of 1886) as amended by Madras Acts, I of 1905, I of 1913, I of 1915 and XVIII of 1929 and Dangerous Drugs Act, 1930.

Country Spirit.

3. *Meaning of the term 'Country Spirit.*—In the greater part of Northern India country spirit was till lately for the most part spirit distilled after the old Indian method as distinguished from "Indo-European spirit" (rum, etc.) produced in distilleries worked after the English method.

In Madras no such distinction existed. In some outlying parts which are under the outstill system, *arrack* the name applied in Madras to distilled spirits consumed by the Indian population, continues to be manufactured according to the old primitive method but over almost the whole of the Presidency, excluding only the parts of the Agency tracts, its manufacture was carried on

* Includes revenue derived from excisable articles exported to Indian States.

in regular distilleries provided with modern appliances and worked on modern methods. What in Northern India would be called Indo-European spirits, *i.e.*, local brands of "rum", "whisky", etc., is in Madras manufactured in the same distilleries as *arrack*, and is in fact *arrack* coloured or flavoured before issue, and excised at a special rate of Rs. 21-14-0 per proof gallon. "Country spirit" in Madras means spirit manufactured in the country on which duty at the tariff rate is not leviable, but does not include locally made "foreign" liquor.

4. *Proportion of country spirit revenue realised under the distillery system.*—About 98·6 per cent. of the revenue derived from country spirit (*arrack*) in Madras was realised under the distillery, or, as it is called "Excise" system, Rs. 141·61 lakhs out of a total of Rs. 143·55 lakhs.

For corresponding figures for 1912-13 and 1931-32 see Statement VII.

Distillery System.

5. *Replacement of the private distillery system by the contract distillery system.*—When the first edition of this memorandum was published in the year 1897, the leading distillery system of Madras was the *private distillery supply system*, which was one of free competition among the licensed distilleries in respect of the production of the spirit. The contract distillery system which gives a single distillery a sole right of production and distribution in a particular area, was only in force in a few districts and was regarded as a preliminary step towards the private distillery system. In the course of the years, however, the greater part of the production trade in the private distillery areas fell into the hands of two great distilleries and these after a period of fierce competition were amalgamated. The result was a practical monopoly in the hands of a single firm throughout the greater part of the Presidency, and to check the evil consequences which would follow, the private distillery system was, in April 1901, replaced by the "contract" system in all the districts. The contract distillery system thus became the sole distillery system of the province and the smaller distilleries which still survived remained as supply centres for particular districts. The transition from the private to the contract system was rendered simple by the fact that the distilleries working under the two systems, when both existed, were of like character—in fact the same distillery might have worked as private distillery for one part of the Presidency and as a "contract" distillery for another—and that the retail vend arrangements under both were the same.

6. *Description of the contract distillery system.*—Under the contract distillery system the exclusive privilege of manufacture of country spirit throughout a district or other specified area was disposed of by tender. The successful tenderer had the monopoly of supply to retail vendors within the area of his contract. The still head duty to be paid to Government on each gallon issued, was fixed and tenderers were required to state at what rate they were prepared to supply spirits of certain specified *strengths at a central source of supply (distillery or warehouse or depot) in each contract area.

7. *The area in which it is in force.*—This system was in force throughout the Presidency except in part of the Agency tracts (see paragraph 21). The *arrack* supplied was distilled from jaggery or molasses.

8. *Character and supervision of distilleries.*—The Distillery in Malabar belonged to Government.

*These are generally speaking 35° and 60° under proof but 38° U. P. is prescribed in 9 districts and 40° U. P in the low duty area round Pondicherry in South Arcot District.

In 1926-27, it was leased to contractors for the manufacture and supply of "Malabar" *arrack* to foreign liquor dealers. The other distilleries, which work under the contract distillery system, were all privately owned. Each licensed distiller had to equip and maintain his own distillery on plans approved by the Commissioner of Excise and was bound to make any alteration which that authority or the Assistant Commissioner of Excise for Distilleries considered necessary.

9. The distilleries were worked after English methods, and each one had attached to it one or more officers of the Excise Department, whose duty it was to check in the interest of the revenue, every detail in the process of manufacture, and to pass the spirit out, in bond or on payment of duty, as the case was, for storage or consumption. Each distillery was in the charge of an Assistant Inspector on Rs. 150—200 per mensem, and the Assistant Inspectors in charge of the more important distilleries were assisted by one or two Sub-Inspectors on Rs. 60—90 per mensem. The work of the local distillery officers in the Southern circle was supervised by a Distillery Inspector and in the Northern circle by the Assistant Commissioner for Distilleries, who also supervised the work of the Inspector, Southern Distillery circle. The Assistant Commissioner for Distilleries was employed for the general supervision of all the distilleries and for the instruction of the officers of the department in everything appertaining to distillery work.

10. Distillers and Warehousekeepers were bound to provide houses, the rent of which was not to exceed a fixed sum, for the officers who supervised their operations, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

11. *Warehouses.*—To facilitate the supply of liquor to vendors, contract distillers were required, when necessary, to open "Warehouses" within their contract* areas. These warehouses were supervised by Sub-Inspectors without extra cost to the warehouse licensee. Spirits were received from a distillery or another warehouse in bond, and could be blended or reduced before issue, under the control of the supervising officer, in bond or on payment of the prescribed rate of duty, as the case was. Denaturation and compounding of spirits were not allowed at warehouses.

12. *Distillers forbidden to engage in retail trade.*—Distillers were forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicating liquors in their contract areas.

13. *Number of Distilleries and Warehouses.*—In each of the years 1931-32 and 1932-33 there were 10 distilleries and 15 and 14 warehouses respectively for the supply of the contract distillery tracts. In the year 1912-13 the corresponding figures were 10 and 16 respectively.

14. *Rate of still head duty.*—In 1932-33 the rates of still head duty varied from 15 annas per proof gallon in Palkonda Agency to Rs. 11-2-3 in Madras and in the Saidapet Taluk of the Chingleput district. In 1912-13 these rates varied from 10 annas per proof gallon (in the Gunupur and Palkonda agencies of the Vizagapatam district) to Rs. 8-2-0 (in Madras and in 11 adjoining villages of the Saidapet Taluk in the Chingleput district).

15. *Wholesale vend licences.*—The contract distillers were primarily responsible for the opening of such wholesale depots as were considered necessary for the supply of shops within their contract areas; but with the consent of the contractors private parties were allowed on payment of an annual fee of Rs. 15

*The Distillery itself may be outside the contract area, *e.g.*, the proprietor of the Renigunta Distillery, Chittoor District, does not hold the contract for the Chittoor district.

and on depositing such amount as security as the Collector required to open such depots for the sale of liquor obtained from the contract distillery or a warehouse in connection therewith. Issues from depots were made only to other wholesale depot keepers and licensed independent *arrack* shopkeepers in the same contract areas in quantities of not less than half a gallon at a time to licensed independent *arrack* shopkeepers and not less than 9 gallons at a time to other wholesale depot keepers. This class of licensees was a necessary link between the distiller and the petty shopkeeper who could not afford to purchase more than a few gallons at a time or to go long distances to obtain it. The spirits kept in wholesale depots were duty paid and consignments were verified on arrival by a Government officer if the duty in the area in which the warehouse or Distillery lay was higher than in the area in which the depot was situated or if they had passed through foreign territory; in other cases the verification was made by the depot keepers.

372 wholesale depots were worked under the above conditions in 1932-33. Of these 355 were held by the supply contractors free of fee and 17 by private persons with the consent of the supply contractors on payment of the fee of Rs. 15 per annum as referred to above. In 1931-32, 375 wholesale depots were worked under the above conditions. In 1912-13 there were 444 wholesale depots; of these 332 were held by the supply contractors free of fee, and 112 by private persons with the consent of the supply contractors on payment of a fee of Rs. 15 per annum.

Distillers, warehousekeepers and wholesale depot keepers were bound to sell spirits to all persons licensed to purchase from them on payment of the value in legal tender, and the prices to be charged by them were fixed.

16. *Retail vend.*—The right of retail vend of country spirit was annually sold by auction by separate shops throughout the contract distillery supply area. Shopkeepers obtained all their liquor from the contract distillers, either direct or through the wholesale vendors referred to above. Collectors with the previous permission of the Commissioner could fix maximum prices to be charged for spirits by the retail shopkeepers. Minimum prices below which, spirits could not be sold could also be fixed by the Commissioner. Actually, maximum retail prices had not been imposed anywhere except in certain taluks of the Vizagapatam Agency while minimum prices were imposed only in the low duty tracts of the South Arcot district.

17. *Number of country spirit shops.*—In the year 1932-33 the number of shops for the retail sale of country spirit was 5,557 against 5,568 in the preceding year, a decrease of 0·20 per cent.—and 8,976 in 1912-13—a decrease of about 38·09 per cent. (see Statement IV). The number of country spirit shops per 100,000 of the population in the years of 1912-13, 1931-32 and 1932-33 was 21·68, 11·90 and 11·88 respectively. The average area served by a country spirit shop was 25·65 square miles in 1932-33 against 15·86 square miles in 1912-13 and 25·60 square miles in 1931-32 (*cf.* Statement III).

18. *Sale strength.*—In order to prevent the watering of liquor by shopkeepers and to facilitate the detection of cases of smuggling and illicit distillation retail vendors in all distillery areas were bound, as a condition of their licences, to sell their liquor at certain specified strengths, generally 35° and 60° under proof (*vide* footnote to para. 6). It was one of the duties of the Excise officers to ascertain by hydrometer tests that these strengths were not departed from, a due margin being allowed for reduction in strength due to natural causes. The great bulk of the liquor sold was at 35° under proof. In 1912-13 the specified strengths at which the retail vendors were bound to sell their liquor were chiefly 30° and 60° under proof.

19. *Average taxation per gallon of distillery spirit and consumption.*—The receipts from country spirit in the distillery areas amounted in 1932-33 to Rs. 141·61 lakhs, of which Rs. 89·84 lakhs were realised from duty and Rs. 51·77 lakhs from vend fees, etc. In 1912-13 and 1931-32 the revenue derived from country spirit in distillery areas amounted to Rs. 141·43 lakhs and Rs. 152·52 lakhs respectively. For further details see Statement VII. The consumption of country spirit in 1932-33 was 934,255 proof gallons or 2·00 proof gallons per 100 of the population giving an average taxation of Rs. 15-1-7 per proof gallon of which a sum of Rs. 9-9-7 was realised in the form of still head duty and Rs. 5-8-0 in the form of vend fees. In 1931-32 the consumption of country spirit amounted to 980 633 proof gallons or 2·10 proof gallons per 100 of the population against 1,773,673 proof gallons or 4·28 proof gallons per 100 of the population in 1912-13. The total average taxation per proof gallon of country spirit in 1931-32 was Rs. 15-12-2 (Rs. 9-9-3 from duty) against Rs. 7-15-7 (Rs. 5-12-0 from duty) in 1912-13.

20. *Ordinary renting system.*—The Excise Administration of the British village of the Anjengo in Travancore, which comprised an area of about one square mile and a population of 6,766 was leased to the State authorities for an annual gross payment of Rs. 7,900.

21. *System in Agency tracts.*—In the Agency tracts, the contract distillery system was in force in 2,602 square miles out of a total of 19,869 square miles. The rest of the Agency was served partly by Central distilleries and partly by out-stills. Details are given below :—

(*i*) In 1932-33 the contract distillery system was in force in the Parlakimedi maliahs, the Palkonda Taluk and Kasipuram Muttah with Kottur of the Ananthagiri Agency and portions of Gudem Agency in the Vizagapatam District and the Polavaram, Chodavaram and Yellavaram Taluks of the East Godavari Agency. The contract suppliers of the Ganjam District supplied liquor to the Parlakimedi shops, the Vizagapatam district suppliers to the shops of Palkonda, Gudem and Kasipuram Muttah with Kottur and the supplier of the East Godavari district to the shops in the Polavaram, Chodavaram and Yellavaram Taluks. The contract distillery area in Parlakimedi maliahs was included in the Chicacole Excise circle, the Palkonda Taluk in the Bobbili sub-circle and Kasipuram Muttah with Kottur in the Vizianagaram circle. The East Godavari Agency area was under the Agency Excise Inspector. The spirit issued to the Agency areas except Parlakimedi maliahs and portions of Gudem Agency was of weaker strength (60° under proof) than that issued to the adjoining plains and the duty was low. To differentiate the liquor intended for the Agency from that intended for the ordinary tracts, the Agency liquor was coloured.

(*ii*) The Central Distillery system was in force in the whole of the Nugur and Bhadrachalam Taluks of the East Godavari Agency and in the Gunupur Taluk and the Jeypore circle of the Vizagapatam Agency. This was extended to the Deshya Kondh area of the Bissemcuttack Taluk and to a part of Padwa Taluk of the Vizagapatam Agency from 1st April 1931. As the area of the Jeypore circle was found to be too extensive a new circle with Headquarters at Parvatipur was constituted with effect from 1st May 1931, comprising the Gunupur and Rayaghada Taluks (except Kalyanasingapur Tana). Narayanapatnam Agency of

the Parvatipur Taluk and the Deshya Kondh area of the Bissemcuttack Taluk, and the post of the Assistant Inspector, Gunupur, was abolished. Under this system four central distilleries were opened, one in Bhadrachalam, one in Gunupur Taluk, one in Jeypore Taluk and one in Rayaghada Taluk. The distillers manufacture *arrack* from the *mohwa* flower and the privilege of manufacture in these distilleries was disposed of by tender. The successful tenderer paid a licence fee of Rs. 50 for each distillery and was bound to supply *arrack* at the prescribed strength of 60° under proof to the shops dependent on his distillery. A petty officer with one peon was previously in charge of the Central Distillery in Bhadrachalam Taluk. With a view to effect improvements in the methods of manufacture and to exercise efficient supervision, the Central Distillery at Bhadrachalam was placed in charge of an Assistant Inspector. The Distillery at Jeypore was in charge of an Assistant Inspector; those at Gunupur and Rayaghada which were in charge of Sub-Inspectors were placed under the control of Assistant Inspectors in the interests of efficiency. The duty per gallon of 60°U. P. liquor was 10 annas in Bhadrachalam and Nugur and 4 annas in the Gunupur and other taluks of the Vizagapatam Agency under this system in 1932-33. The liquor manufactured at the Central distilleries was coloured to p event malpractices.

(*iii*) The outstill system, under which the privilege of manufacture and vend was sold by shops was in force in the whole of the Vizagapatam Agency, except Gunupur (including Palkonda Agency) and the Jeypore and Parvatipur circles. There were no shops under the outstill system in Ganjam Agency in the year 1932-33. Under this system, the spirit was manufactured generally from *mohwa* but no particular strength was insisted on and no accounts were kept. There was no limit placed on the selling price of liquor.

(*iv*) *Free distillation.*—In the Ganjam Agency tracts no revenue was derived from *arrack*. The Kondhs in the Ganjam Agency were allowed the privilege of manufacture of *arrack* without payment of duty. The Oriyas in the area were prohibited from either manufacturing or selling liquor. To prevent the Kondhs from abusing the right of free distillation and to prevent the Oriyas from manufacturing *arrack*, an Excise Officer of the rank of Assistant Inspector and a staff of Sub-Inspectors and peons were at work in the G. Udayagiri Taluk. In six muttahs of this Taluk free distillation by Kondhs was restricted by insisting on permits being taken from the Revenue or Excise authorities before manufacture of *arrack* was allowed. In the portions of the Gunupur and Bissemcuttack Taluks bordering on the Parlakimedi and Kuttai Maliahs, the Kondhs and Savaras enjoyed the privilege of free distillation for *bona fide* home consumption. In the Savara hills bordering on the Central Distillery area of the Gunupur Taluk it was decided to restrict the privilege to special occasions and under permit for each occasion.

22. The total receipts from country spirit under the non-distillery system amounted in 1932-33 to Rs. 1·94 lakhs against Rs. 3·14 lakhs in 1912-13 and Rs. 2·10 lakhs in 1931-32.

Toddy.

23. Toddy (known in North of India as tari) is the sap o f the palm tree.

24. *Unfermented or Sweet toddy.*—Unfermented toddy was not subject to any taxation in Madras but had to be drawn in pots freshly coated internally with lime (to prevent fermentation). In East Godavari, West Godavari, parts of Guntur and certain Agency tracts, licences (for which no fee is charged) were required for the tapping of trees for this ' sweet toddy.'

25. *Fermented toddy Tree-tax system.*—Fermented toddy was taxed by means of fees payable for the right of retail vend, and by means of the tree-tax system under which a fixed fee was charged for every tree from which it was intended to draw fermented toddy.

26. Where the tree-tax system was in force no palm trees could be tapped for the purpose of producing fermented toddy, without a licence, upon issue of which the tree was marked to indicate that a licence had been obtained for it. The tapping of unmarked trees for the purpose of producing fermented toddy was an offence. Licences for the tapping of trees for fermented toddy were issued on payment of tree-tax, on the application of licensed toddy shop keepers; of the contractors for the manufacture and supply of "Malabar *arrack*"; of toddy drawers in South Kanara; provided that application for licences were accompanied by applications for permits for the transport of toddy to some particular shop and that the latter applications were counter-signed or acknowledged to be correct by the shop-keepers to whose shops the toddy was to be taken, of tree owners generally up to 5 trees; of any member of a hill tribe whether a tree owner or not, residing in certain villages of Vizagapatam district up to 5 trees for each household; of sweet toddy tappers in East Godavari, West Godavari, parts of Guntur and of the Agency tracts up to a limit of 3 trees; and of licensed toddy shop-keepers or renters in Mysore, Pudukottai, Banganapalli and Cochin who desired to obtain toddy from trees growing in British territory.

27. *Cocoanut, Sago, Palmyrah, Date and Dadasal.*—Tapping licences were issued half yearly for cocoanut and sago palms and yearly for palmyrah, date and dadasal (Arenga Wightii) trees. The rates of tree tax in 1932-33 were as below :—

Palms.	The districts of Ganjam, Vizagapatam except certain Agency tracts South Kanara & Malabar.	Vizagapatam Agency (portions).	Vizagapatam Agency (other portions).	Agency tracts of East Godavari (areas under the Tree-tax System).	All other districts.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Cocoanut palms for each half year.	4 8 0	0 12 0	3 12 0	3 0 0	5 10 0
Sago palms for each half year.	9 0 0	1 8 0	7 8 0	6 0 0	11 4 0
Palmyrah or date for the whole year.	3 0 0	0 8 0	2 8 0	2 0 0	3 12 0
Dadasal for the whole year .	1 0 0	..	..	..	..

The rates of tree-tax in 1912-13 were as follows :—

Palms.	The districts of Ganjam, Vizagapatam, South Kanara and Malabar.	The districts of Godavari, Kistna, Guntur, Nellore, Cuddapah, Anantapur, Bellary and Kurnool (including Banganapalli).	The districts of Chingleput (except Saidapet Taluk), N. Arcot Chittoor & S. Arcot.	The rest of the Presidency.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Cocoanut	2 4 0	3 0 0	3 6 0	3 12 0
Sago	4 8 0	6 0 0	6 12 0	7 8 0
Palmyrah or date	1 8 0	2 0 0	2 4 0	2 8 0
*Dadasa l(Arenga wightii)	0 12 0	..	..	..

*In the South Kanara District alone.

28. In case of trees tapped for the supply of toddy shops the tapping licence must cover not less than a specified minimum number of trees—the minimum varying for different districts or other areas.

29. *Vend licences.*—The privilege of retail vend in each shop was sold separately by auction. The number of licences issued for the retail sale of toddy was 9,901 against 14,478 and 9,798 in the years 1912-13 and 1931-32 respectively (Statement IV). There was on an average one shop for 14·4 square miles and 21·2 shops for every 100,000 of population ; in 1912-13 there was one shop for 9·83 square miles and 34·96 shops for every 100,000 of population.

30. *Method of procuring trees for tapping.*—The shop-keepers and other persons to whom licences for tapping could be granted made their own arrangements for procuring trees either from private owners or from Government. The usufruct of palm trees on Government waste land was formerly disposed of by auction but in 1926-27 a fixed fee per tree was instituted in most districts. This fee was for the use of the trees and was distinct from the tree-tax.

31. *Geographical extent of the tree-tax system.*—In 1932-33 the tree-tax system was in force throughout the P esidency, except the Nilgiris district, the Wynaad Taluk and the Attapady valley in Malabar and portions of the Agency tracts. The po tions of the Agency tracts where the tree-tax system was in force in 1932-33 were the Polavaram Taluk, 138 villages of Yellavaram, 116 villages of Bhodavaram, p rtion s of the Gudem Taluk, 36 riverside villages of Bhadrachalam Taluk and 17 villages of Nugur Taluk. The circumstances of these excepted areas were peculiar. Toddy was not drunk in the Nilgiris district, the Wynaad Taluk and the Attapady valley ; its manufacture was not controlled in the major portion of the Agency tracts. In the 122 low country Agency villages of the Parlakimedi Maliahs the right of manufacture and vend of toddy was rented out.

32. *Tapping of trees in Indian States for British shops and* vice versa.—A considerable number of trees was tapped in the Presidency for shops in Mysore while some British shops derive their supply of toddy from Mysore and Hyderabad. To regulate this traffic, arrangements were made with the Mysor Government imposing tree-tax on Mysore trees tapped for British shops and *vice versa*, the revenue in either case following the consumption. Where

the rates of tree-tax on the two sides of the border were different, the higher rate was levied. On toddy brought from Hyderabad a transport duty of 3 annas a gallon was levied at the Chowky on the frontier. Toddy shop-keepers in the Pudukottai State were permitted to tap trees in the adjoining British villages on payment of tree-tax to the Madras Government at the rates prevailing in British territory. British shop-keepers were allowed to tap trees in the Pudukottai State on payment of tree-tax to that State at the higher of the rates prevailing on the two sides of the border. Similar arrangements existed between the Madras Government and the Cochin Darbar.

33. The total toddy revenue for 1932-33 was Rs. 208·00 lakhs of which Rs. 102·48 lakhs was in the shape of tree-tax and transport duty on Hyderabad toddy and the balance from licences for the privilege of retail vend. In 1912-13 the total toddy revenue was Rs. 152·24 lakhs; in 1931-32 it was Rs. 195·40 lakhs.

Locally produced 'Foreign' spirit.

34. *Manufacture and supply.*—As explained in paragraph 3 spirits of this class (local brands of rum, whisky, etc.) were manufactured in country spirit distilleries in the same manner as *arrack* with the addition of colouring and flavouring matter. They could be issued at any strength not lower than 35° U.P. for gin and 25° U.P. for all other kinds of spirits not being denatured spirits on payment of a special rate of duty of Rs. 21-14-0 per proof gallon. Spirits on which the special rate of duty of Rs. 21-14-0 was levied were designated "locally made 'foreign' liquor." The only restrictions imposed on distillers in respect of country made spirits so excised were :—

(*a*) that they shall be issued only to persons licensed to sell "foreign spirits" or to private persons for domestic consumption, but not for sale; and (*b*) that the spirit issued to licensed vendors shall in colour and flavour resemble gin, brandy, whisky or rum.

35. As regards wholesale and retail sale, spirits of this description were subject to the same regulations and were sold in the same shops as imported European spirits. The bottles had to be labelled "spirits compounded in India".

36. *Arrack* manufactured at the Chowghat distillery in Malabar from Cocoanuttoddy drawn from trees which had paid tree-tax was issued in bottles or other receptacles labelled "spirit manufactured in Malabar" to foreign liquor dealers throughout the Presidency on payment of duty at the rate of Rs. 21-14-0 per proof gallon. A rebate of tree-tax was granted to the distillers calculated at a fixed rate on each gallon outturned.

37. *Issues and duty Receipts.*—The quantity of locally made potable spirits issued amounted to 22,055 proof gallons against 24,033 proof gallons in 1931-32 and 13,069 proof gallons in 1912-13. The duty realised thereon was Rs. 4·82 lakhs in 1932-33 against Rs. 4·21 lakhs in 1931-32 and Rs. 1·22 lakhs in 1912-13.

38. *Denatured spirit.*—Denatured spirit was manufactured at the Nellikuppam and Samalkot distilleries. 29,886 gallons were issued in 1932-33 from these distilleries against 17,207 gallons in 1912-13 and 8,620 gallons in 1931-32 from the same distilleries. The duty on such spirits locally manufactured was removed from the 19th January 1917. Before issue the spirit was required to be rendered undrinkable by the addition of light caoutchoucine and pyridine unless for special reasons the use of other denaturants was permitted. Imported denatured spirit was subject to the same restriction. Free licences

were granted for the possession and sale of denatured spirit. An important change in the control of denatured spirit was however made with effect from 1st April 1932, by the introduction of a system under which a gallonage fee based on actual consumption was levied quarterly in arrears on all such spirits consumed in the Presidency. A sum of Rs. 26,006 was thus realized as fees in the year. In 1932-33 730 licences were issued against 671 in 1931-32 and 192 in 1912-13 for the retail sale of such spirits and 144 licences against 156 in 1931-32 and 44 in 1912-13 for possession by Varnish makers, Chemists and others.

Country Beer, etc.

39. *Manufacture and Duty.*—Licences for the establishment of Breweries were granted by the Assistant Commissioner for Distilleries under the orders of the Commissioner of Excise to approved applicants on payment of an annual licence fee of Rs. 15. The establishment of breweries which had previously been restricted to Hill Stations was in 1890-91 permitted elsewhere. During the year under report there were 2 breweries in the Presidency, one in the Chingleput district and the other in the Nilgiris. These breweries were under the supervision of Government officers. The brewers were required to maintain accounts in such forms as the Commissioner of Excise prescribed from time to time and the duty at the rate of 12 annas per imperial gallon was levied once a quarter on the total quantity of beer brewed during the quarter less 5 per cent. allowed for wastage.

In 1912-13 the duty levied per imperial gallon was 3 annas, less 5 per cent. allowed for wastage. From time to time samples of the worts were taken and analysed.

40. " Indian Beer " has been defined as beer brewed in India from jaggery or crude cane sugar which contains at least two bushels of malt and two pounds of hops per hogshead and which is brewed at a higher original gravity than 1058° on a standard saccharometer. For the sale of such beer at the breweries a maximum price of Rs. 40 (excluding the excise duty of Rs. 40-8-0 per hogshead) was fixed and brewers were bound to sell to licenced dealers on payment of the value in legal tender.

41. *Issues.*—The total quantity of beer issued from the breweries amounted to 245,930 gallons against 304,296 gallons in 1931-32 and 542,813 gallons in 1912-13; in addition 19,493 gallons of Bangalore beer were imported during 1932-33 against 28,340 gallons in 1931-32 and 170,675 gallons in 1912-13.

42. *Vend.*—Beer was ordinarily sold in shops for the sale of " foreign liquor " but separate shops for the sale of country made beer existed in the Nilgiris and in large towns in some of the other districts. In 1932-33 there were six such shops licensed in the Nilgiris and 21 in other districts. In 1931-32 and 1912-13 there were 27 shops for the sale of country made beer in the Presidency. The right to retail beer in these shops was sold annually by auction. Brewers or Agents of brewers (either local or foreign) were prohibited from having any interest direct or indirect in the retail vend of beer in the Presidency.

The brewers were required to supply beer to shops at a price not exceeding Rs. 40 per hogshead exclusive of duty.

43. Holders of foreign liquor retail 'off' licences were prohibited from selling " Indian beer " as defined above. In places where there were separate beer shops foreign liquor shop-keepers were not permitted to sell beer other than beer brewed in India on English principles. This was to be sold in bottles as bottled at the brewery.

44. *Receipts.*—The total receipts from beer in 1932-33 derived from the sale of beer shops, from the duty on issues from the local breweries above referred to, and from the duty on beer imported into this Presidency from Bangalore, amounted to Rs. 4·25 lakhs.

In 1912-13 and 1931-32 the revenue realised from country made beer amounted to Rs. 2·30 lakhs and Rs. 5·09 lakhs respectively.

Imported Liquors.

45. In the case of imported liquors the duties leviable under the Tariff Act for the time being in force were credited to customs, the excise revenue being derived from licences for the privilege of selling the liquors which in Madras come under the definition of "Locally made 'foreign' liquors" *viz.* beer, rum, etc. If foreign liquor was imported in bulk and bottled in the Presidency the bottles had each to bear a printed label specifying the country of origin of the liquor, the description of the liquor, the name of the bottler and the fact that the bottling was done in India; these particulars had to be furnished on the same label and as conspicuously as the trade description. The sale of medicated wines and similar preparations containing 20 per cent and upwards of proof spirit but not more than 42 per cent. was prohibited except under a licence.

46. The vend licences were auctioned in the case of taverns licensed for the retail sale of liquor for consumption both "on" and "off" the premises and in cases of "off" licences were issued on payment of fixed fees. In addition to the beer licences referred to in paragraph 42, licences of the latter class were:—

1. *Wholesale Licence.*—Fee Rs. 1,000 per annum in the Madras Town and Rs. 250 per annum in other districts. Under this licence the consumption of liquor in the shop premises and its sale in quantities less than two imperial gallons or a dozen reputed quart bottles or two dozens reputed pint bottles of each kind at a time were prohibited. The holders of this licence were, however, allowed to issue to licensed dealers samples of liquor in quantities not exceeding one quart in the case of beer and one pint in the case of other liquors. Distillers and holders of licences for the wholesale vend of foreign liquor were also granted (1) on payment of a separate fee of Rs. 250 per annum, licences for the compounding and blending of foreign liquor for sale and (2) on payment of a separate fee of Rs. 50 per annum, licences for the bottling of foreign liquor for sale.
2. Retail "off" licences for the sale of all kinds of foreign liquor except "Indian Beer." Fee Rs. 750 per annum in the Madras Town and Gudalur, Rs. 1,000 in the Nilgiris except Gudalur and Rs. 300 in towns with a population of 25,000 and over and in Kodaikanal, Yercaud and Cochin and Ambasamudram taluks and Rs. 200 in the rest of the Presidency. Under this licence the sale of less than one reputed pint or more than two imperial gallons in one transaction was prohibited.
3. *Hotel licence.*—Fee Rs. 500 or Rs. 250 per annum according as the licence was of the first or second class in Madras; Rs. 100 or Rs. 50 per annum on the Nilgiris and Rs. 50 or Rs. 25 per annum in the rest of the Presidency. In Madras the holders of "hotel" licences could also be granted a separate "bar" licence for the

sale of all kinds of foreign liquor under the same conditions and to the same extent as the tavern licence on payment of a monthly fee of Rs. 100 for a first class and Rs. 50 for a second class bar; special bar licences were also issued to other than holders of hotel licences with the previous sanction of the Commissioner of Excise.

4. *Ordinary Refreshment Room licence.*—Fee of Rs. 500 per annum in Madras and Rs. 75 in the rest of the Presidency. Under this licence the sale of liquor for removal from the premises was prohibited.

5. *Railway and Dak line refreshment room.*—Licence fee ranged from Rs. 50 to Rs. 300 per annum. Under this licence the sale of liquor for removal from the premises was allowed only up to one reputed quart in the case of spirits or two reputed quarts in the case of other kinds of liquor to *bona fide* travellers.

6. *Occasional licence.*—Fee Rs. 100 or less for each licence. This licence was granted for periods not exceeding 10 days at a time and no removal of liquor from the premises was allowed under it.

7. *Special licence.*—This was granted on terms and conditions determined by the Collectors in each case when the circumstance were such as not to allow the issue of a licence of any of the description specified above.

8. *Auctioneer's licence.*—Fee Rs. 5 per annum.

9. *Licence for the sale of pure rectified spirits.*—Fee Rs. 10 per annum. Licences of this class were issued to Chemists and Druggists and other approved persons or bodies for the possession of pure-rectified spirits in quantities not exceeding 10 imperial gallons. Sale under these licences was not allowed for other than *bona fide* medical, scientific and industrial purposes and the maximum limit of sale at one time to one person was restricted to one reputed pint in the case of sale to a private individual, two reputed quarts in the case of sale to Chemist, medical practitioner or scientific body and three imperial gallons to any Government Local Fund or Municipal Hospital.

10. *Licence for the sale of medicated wines etc.*—Fee Rs. 10 per annum. Licences of this class were required for the sale of medicated wines and similar preparations (other than beverage wines) containing 20% and upwards but not more than 42% of proof spirit.

11. *Licence for the sale of brandy by Chemists on the prescription of a qualified medical practitioner.*—These were issued by Collectors on an annual fee of Rs. 5.

As in the case of "locally made 'foreign' spirits" minimum sale strengths of "imported foreign spirits" were fixed at 35° U. P. for gin and 30° U. P. for Colombo *arrack* and 25° U. P. for all other kinds of spirits including Italian *arrack* except denatured spirits.

12. A system of levy of fees from Clubs which supply liquor to their members on payment of a price or of any fee or subscription was brought into effect from 1st April 1931. There were 66 such clubs during 1932-33 and a sum of Rs. 7,063 was levied as fees for the year.

13. A concessional rate of duty of Rs. 5 per proof gallon was allowed on spirits contained in medicinal preparations, culinary, aerated water or other flavouring essences extracts, colourings, perfumes and toilet preparations manufactured in bond in this Presidency or imported into this Presidency by land or under bond by sea and a sum of Rs. 51,384 was realized during 1932-33 as duty on such preparations.

47. The total revenue derived from Foreign liquor (exclusive of the revenue from beer referred to in paragraph 44) was Rs. 9·96 lakhs in 1932-33 compared with Rs. 10·10 lakhs in the preceding year and Rs. 5·56 lakhs in 1912-13. For figures showing consumption of potable foreign liquors—see statement II.

48. *Location of shops.*—For the year 1932-33 the number of shops except toddy shops and the location of all kinds of shops in the Madras City and 15 major municipalities in the mofussil were decided by the Excise Licensing Boards constituted by Government with non-official majorities. In other areas such questions were decided by collectors after obtaining the advice of the Excise Advisory Committees (with non-official majorities) in those Revenue Divisional areas for which such Committees were constituted. Where such Committees did not exist the Collectors decided the questions after ascertaining local opinions, official and non-official, from the District Superintendent of Police, Local Bodies, Planters, Railway authorities and other employers of labour and Forest officers, where necessary. The main principles observed in the matter of location of shops were that rural shops were not to be located without permission within a furlong of a metalled road, that when shops on road sides were sanctioned in rural areas the minimum distance between such shops should ordinarily be 5 miles, that sites selected should be so far from public that persons entering shops do not escape observation but not so prominent as to compel attention, and that where possible the shops should be located on Government lands. It was also laid down that shops should not as far as possible be located close to the 'cheris' or other localities inhabited by the members of the depressed classes. The general rule was that shop licences were issued for a year; the number and sites of shops were determined beforehand and were not altered except for very special reasons. The system of selling *arrack* and toddy shops separately was calculated to facilitate the closure of such shops as were not really needed and had already brought about a large reduction in their numbers.

The decisions of the new Licensing Boards were final subject to the control of the Commissioner who had to report to Government the reasons for not accepting any decision of the Board. As regards Excise Advisory Committee for Revenue Divisional areas the rules provided that the Collector shall ordinarily accept the Committee's recommendations and that in cases in which he differed from it he should arrange to convene a special meeting of the Committee himself, if possible, should explain to it his reasons for disagreeing with its recommendations. In case of continued disagreement between the Collector and the Committee the Commissioner could pass final orders.

49. For the year 1932-33 the Excise Licensing Board Madras City met nine times and decided to change the sites of four toddy shops, all of which decisions were accepted. The moffusil Licensing Boards recommended the closure of one shop and change of sites in respect of 10 shops. Their recommendations were given effect to in 9 cases relating to change of sites. The Excise Advisory Committees recommended the opening of 29 shops, the closure of 77 shops and change of sites in respect of 192 shops and their recommendations were accepted in 29, 56 and 188 cases respectively.

50. *Specific measures adopted for reducing the drink evil.*—The end in view was to decrease consumption so far as was possible without stimulating crime. The specific measures which were adopted towards this object were raising gradually the rates of duty and tree-tax, reducing the sources of supply, reducing the strength of liquor and the limit of private possession, rationing supplies to *arrack* shops in certain places, prohibiting the sale of *arrack* in certain areas where toddy was the prevailing drink and forbidding the sale of liquor to adult women and young persons under 18 years of age and certain hill tribes. These measures had for the most part been introduced since 1918-19. There had been a marked decline in consumption of licit *arrack* since 1919-20. The consumption during 1927-28 was less than that in any year since 1912-13 except 1925-26. During 1928-29 there was an increase over the figures of 1927-28 but from 1929-30 there was a steady drop. The number of cases reported in 1927-28 under Illicit Distillation and kindred offences was the highest up to that time and there was a further increase in 1928-29. In 1929-30 there was a slight fall and the figures of 1930-31 and 31-32 showed an increase. There was a further and a very marked increase in 1932-33. The figures of crime relating to Illicitly Distilled spirits which stood at 979 cases in 1912 stood at 4524 during the year under report, an increase of 362%. There was a large increase in the number of cases of illicit manufacture of toddy during 1932-33 as compared with the figures of 1931-32.

51. *Rationing arrangements.*—The arrack shops in the municipalities of Vizagapatam (including Pedda Waltair) Vizianagaram and Bimlipatam of Vizagapatam District were sold in blocks under rationing arrangements as an experiment for a period of two years from 1st April 1929. The ration for 1929-30 was calculated at 5% less than the average consumption for the 5 years ending with 30th September 1928 and that for 1930-31 at 5% less than the quantity for 1929-30. A similar experiment was sanctioned for a period of 3 years from 1st April 1930 for the rural areas of Vizagapatam, Vizianagaram and Bimlipatam Taluks and for Srungavarapukota and Anakapalli Taluks. The actual consumption during 1930-31 was considerably less than the ration in all the areas, which was due mainly to economic depression. The consequential loss was considerable in the case of lessees of the shops in Anakapalli Taluk and of rural shops in Vizianagaram and Bimlipatam Taluks and on their representing inability to carry on their contract their licences were terminated with effect from 1st April 1931. The shops concerned were sold individually on the same rationing arrangements for a period of one year from 1st April 1931. The experiment was continued in 1931-32 with a further reduction in ration 5% of the quantity allowed for 1930-31. With effect from 1st April 1932 these arrangements were abandoned in Srungavarapukota Taluk and continued in the other areas with further reduction in ration by 5% of the quantity allowed for 1931-32. The actual consumption continued to be less than the ration due to economic depression. The experiment had little to commend it. The question of withdrawing the arrangements from rural areas and confining them to urban areas is under consideration.

Experiments in prohibition.—The experiment of closure of *arrack* shops in certain toddy drinking areas was continued during the year in the Taluks of Shiyali, Thiruthurai Pundi, Tiruvadanai, Paramakudi, Tenkasi and Attur. The F. L. 2 shops at Shiyali, Thiruthuraipundi and Tiruvadanai were closed in order to prevent replacement of *arrack* by foreign liquor. As a further precaution against illicit transport of liquor from the belt shops in the dry areas of Ramnad district the supply to 8 border shops was rationed on the basis of normal consumption. In the Shiyali, Thiruthuraipundi, Tiruvadanai

and Paramakudi Taluks the experiment was more or less successful. The position was quite different in the Taluks of Tenkasi and Attur and the developments there made it clear that the experiment had to be written down as a failure. The main objection in regard to Tenkasi Taluk was that supply of *arrack* from Travancore enclave and the State shops therein was easy to most of the Taluk while the parts of the taluk more remote from these Travancore shops were served by the *arrack* shops in the adjoining Taluks of the district. It became increasingly difficult to put down illicit distillation and smuggling with a depleted staff as one of the circles in the district was abolished. The experiments stimulated illicit distillation in an area where such crime was unknown previously and the position in this respect was gradually getting worse. There was little prospect of making the experiment a success. The situation in Attur Taluk showed no improvement. It was observed that several illicit distillers settled on the borders of the Taluk to meet the demand in the area which far from showing signs of abatement increased. There was no educative temperance propaganda worth the name. In the circumstances stated above the Government were obliged to direct the reopening of *arrack* shops in Tenkasi and Attur taluks with effect from 1st April 1933.

The experiment of prohibition of sale of liquor to members of the hill tribes on the Nilgiris except on a medical certificate was continued during the year Badagas and other hill men accustomed to drink found as usual no great difficulty in getting liquor surreptitiously through middle men and other sources. The experiment failed in its object of promoting the moral and material welfare of the hill tribes. There was abundant testimony, chiefly from planters, that the official prohibition tended to demoralise and impoverish those accustomed to drink. The Government are again considering whether it will be advisable to penalise possession of liquor by the hill tribes.

In certain compact areas of Trichengode, Rasipuram and Namakkal Taluks of the Salem district *arrack* and toddy shops were closed from 1st April 1930 to help the temperance movement and rural economic work. To make the experiment effective marking of trees for shops within 5 miles of the areas was restricted to the average of the previous 5 years and the trees in the areas were ordinarily not permitted to be marked, for adjoining shops. The dry areas were extended from 1st April 1931 by the closure of some of the adjoining shops. The experiment resulted in a serious development of crime like illicit distillation and illicit tapping. It was from the beginning realised that the success of the experiment must depend on the ability of workers in the cause of temperance and social reform to keep alive among the classes that most frequented the liquor shops, a resolve to abstain from drink and also on their co-operation with the officers of the Excise Department to watch for and prevent the provision of illicit supplies. From various causes the expectation that these conditions would be fulfilled was not realised. The Government were therefore obliged to conclude that the experiment had failed in its object of promoting temperance and to direct the re-opening of liquor shops in the dry areas with effect from 1st April 1933. At the same time the Government are prepared to reconsider the matter if evidence is forthcoming again of a genuine desire on the part of the inhabitants of the area to abstain from alcoholic liquors.

52. Owing to acute financial stringency the Government were obliged to direct in their Order No. 1583 P. H., dated 28th August 1931 the discontinuance of the officially financed propaganda work against drink and drugs, carried on by the Central Propaganda Board, Temperance Publicity Committee

and the District Propaganda Committees. The existing temperance Associations continued to work during the year but with no more striking results than before.

53. *Any important or new legislation or resolutions or bill in the Legislative Council.*—An important change was made during 1930-31 in the Legislative control over transactions in dangerous drugs by the passing of the Dangerous Drugs Act of 1930. This Act was brought into force from 1st February 1931 and assumed control over all transactions, whether internal or external, in manufactured drugs and cocoa leaf, over external transactions in opium and hemp and over the cultivation of the poppy, the manufacture and supply of opium and the cultivaion of the coca plant. The Indian Opium Act and the Madras Abkari Act was amended to a certain extent by Schedule II of the Dangerous Drugs Act. The Indian Opium Act as amended would deal only with internal traffic in and interprovincial import and export of opium. The Madras Abkari Act as amended in so far as it related to hemp, would deal with the cultivation and manufacture of, and internal traffic in and interprovincial import and export of hemp and it ceases to have control over transactions in cocaine and its preparations.

All officers of the Excise, Police and Customs Departments not below the rank of Sub Inspector and all officers of the Land Revenue Department not below the rank of Deputy Tahsildar were authorised by the Local Government to exercise the powers of entry, search, seizure and arrest without warrant specified in sub-section (*i*) of section 23 of the Dangerous Drugs Act. The Local Government also invested under section 30 of the Dangerous Drugs Act all officers of the Excise Department not below the rank of Assistant Inspector with the powers of an officer in charge of a police station, for the investigation of offences under the said Act. Rules under sections 7 (2) and 8 (2) of the Dangerous Drugs Act were framed during 1932-33 by the Government of India and the local Government respectively

During the budget debate of March 1933 a motion for the reduction of the allotment of Rs. 11,300 for Excise Commissioner pay of officers, by Rs. 100 was moved in the Legislative Council to record disapproval of the Excise policy of the Government. The motion for reduction was lost.

Officers of the Public Health Department were authorised to draw attention in their lectures to the effect of intoxicants on the human body and to the evil results of an excessive use of them.

54. *Convictions for drunkenness.*—There were 7888 convictions for offences of which drunkenness formed a part in places in which the Town Nuisances Act was in force. The Madras City with 2063 cases contributed 26% of the total number of such convictions. For further information in respect of convictions for Excise and Opium offences and those relating to country spirits during the years 1912-13, 1930-31 and 1931-32 please see statements IX and X.

55. *Excise Administration.*—The control of the Excise Administration in the Presidency was vested in the Commissioner of Excise, who was also a Member of the Board of Revenue. The Commissioner had a Secretary who belonged to the cadre of Assistant Commissioner. The superior officers were two Deputy Commissioners (one I. C. S., and another on Rs. 1,400—75—1,550), *8 Assistant Commissioners (7 on Rs. 600–50–900 a month and one on Rs. 1,000 —100—1,200) in charge of sub-divisions comprising groups of districts. 60

* One did duty as Secretary to the Commissioner of Excise and one Assistant Commissioner for Distilleries in the place of the late Abkari Deputy Commissioner.

Inspectors (on Rs. 325—525) in charge of circles forming parts of districts and one Inspector (Rs. 325—525) for supervision of Distilleries.

56. The functions of the excise establishment were the supervision of distilleries, the prevention of illicit distillation and smuggling of spirit, the inspection of shops, the marking of licensed palm trees under the tree-tax system and the prevention of tapping from unlicensed trees. The sale of the right of vend of liquors of all descriptions to which the auction system applied were, as a rule conducted by Land Revenue officers who were assisted by the Excise establishment with information as to reasonable prices for shops and farms, combination among bidders to reduce prices and similar matters. Collectors were generally responsible for the Excise Administration of their districts though relieved of preventive work by the officers of the Excise department who were in other respects their assistants for Excise purposes. Assistant Commissioners were relieved of direct control over distilleries and warehouses in the Presidency. Of the two posts of Distillery Inspectors one was abolished from 18th January 1932 and the Assistant Commissioner for Distilleries was placed in charge of the duties of this Inspector in addition to supervision over the other Inspector's work.

57. Calculated on the census returns of 1931, the average total excise revenue in Madras was Re. 0-14-7 per head in 1932-33 of which nearly 88% was realised from liquor. In 1912-13 the average total excise revenue per head of population was Re. 0-12-9 and in 1932-33 Re. 0-14-7.

CHAPTER II.

Bombay Presidency Proper.

58. *Excise Revenue.*—The total Excise receipts (excluding revenues derived from excisable articles issued to Indian States) for the year ending 31st March 1933 amounted to 3,15·42 lakhs as shown below—

	Receipts in lakhs of rupees.	Percentage of total excise receipts.
1. Country spirit	1,70·71	54·12
2. Toddy	52·00	16·49
3. Duty on rum, etc., manufactured in India and excised as foreign	8·00	2·54
4. Duty on malt liquors manufactured in India	0·07	·00
5. Duty on commercial spirits, etc.	2·65	·84
6. License and vend fees on imported liquors, etc., (including receipts from commercial spirits)	15·83	5·02
7. Opium and its preparations	23·07	7·32
8. Hemp drugs	17·20	5·45
9. Fines, forfeitures and miscellaneous	1·23	0·40
10. Recoveries from Government commercial undertakings	24·66	7·82
	3,15·42	1,00·00

59. In the previous year the total excise revenue amounted to Rs. 2,95·86 lakhs and the revenue realised from country spirit was Rs. 1,72·20 lakhs. The corresponding figures for the year 1912-13 were Rs. 1,88·65 lakhs and Rs. 1,45·65 lakhs respectively.

This memorandum is concerned only with the first six items.

60. *Law regulating liquor traffic.*—The liquor traffic in Bombay was regulated by the Bombay Abkari Act (V of 1878) as amended by Bombay Acts, III of 1892, I of 1903, III of 1905, XII of 1912 and IX of 1929. The Indian States in the Presidency except the States of Idar, Danta and Pol in the Mahi Kantha which do not adjoin British Districts, have as a rule either leased their Abkari rights to the Bombay Government, or manage their Abkari matters in accordance with agreement made with that Government.

Country Spirit.

61. What is known in Bombay as "Country spirit" was manufactured after European methods in large and well organised distilleries. The spirit was distilled either from the dried flowers of the Mahura trees (Bassia Latifolia) or from molasses. The whole of the Bombay country spirit revenue was realised under the departmental supply system, described in the following paragraph.

Departmental Supply System.

62. *Dhadgaon and Nasik.*—Under this system the distilleries were worked and the liquor supplies to the licensed shops were managed departmentally. The price charged to the licensees for the liquor was fixed by Government on the same principle as that for the areas supplied under the contract supply system. There were two distilleries working under departmental management *viz.*, the Nasik Distillery, and the Dhadgaon Distillery. The Nasik Distillery supplied in 1932-33 the whole of the Presidency proper except the Akrani tract of the West Khandesh District, which was supplied from the Dhadgaon Distillery.

63. Liquor was supplied to retail vendors from a Bonded Warehouse. The number of warehouses during the year under review was 36.

64. *Supervision of distilleries.*—The Nasik Distillery in charge of a Superintendent, and at the Dhadgaon Distillery there was a resident excise officer with a small subordinate staff whose duty it was to protect the revenue by checking the various processes of manufacture and passing the liquor out for consumption. With the exception of the Sewri, Ahmedabad and Khanapur Warehouses which were in charge of resident Inspectors, all liquor warehouses were in charge of Sub-Inspectors with a similar staff.

65. *Strengths of issue.*—Liquor could be issued from the Distillery for removal to the bonded warehouse at five strengths, *viz.*, overproof, 25° U. P., 30° U. P., 40° U. P., or 60° U. P., but liquor of overproof strength had to be reduced at the warehouse to the authorised sale strengths of 25° U. P., 30° U. P., 40° U. P., or 60° U. P., before it was issued to retail vendors. As a rule, all liquor issued from the distillery to warehouses was at overproof strength.

66. *Rates of stillhead duty.*—The rates of duty charged varied not only in different districts, but in parts of the same district. They ranged in the years 1931-32 and 1932-33 from Rs. 2-4-0 to Rs.7-12-0 per gallon on spirit of 40° U. P., (corresponding to Rs. 3-12-0 and Rs. 12-14-8 per proof gallon) and from Rs. 2-8-0 to Rs. 7-14-0 and from Re. 1 to Rs. 5 per gallon on the 30° U. P., and 60° U. P. spirit respectively. From 1929-30 the sale of 25° U. P., spirit was allowed at some border shops, the rate of still-head duty for such kind of spirit varying from Rs. 2-13-0 to Rs. 8-7-0. In 1912-13 they ranged from 12 annas to Rs. 5-4-0 per gallon on spirit of 25° U. P. and from 6 annas to Rs. 2-10-0 per gallon on the 60° U. P., spirit.

67. *Strengths at which liquor was sold.*—As stated in paragraph 65 liquor was sold ordinarily only at two strengths, *viz.*, 40° U. P. and 60° U. P. though in a few cases the sale of 25° U. P. and 30° U. P. was allowed. In 1912-13 liquor was sold ordinarily only at two strengths, *viz.*, 25° U. P. and 60° U. P., but it was also sold at 40° U. P., in certain parts. The sales were subject to no maxima selling prices.

68. *System of disposal of shops.*—With the exception of those in the Akrani tract of the West Khandesh District shops were generally sold by unrestricted public auction but disposal under the tender system and by private uegotiation was also adopted.

69. *Rationing of shops.*—The system of rationing liquor shops, which was introduced from 1st April 1922, except in the Akrani Tract was continued during the year, the rations for all districts being fixed at the same figure as for 1931-32. Shops were disposed of for a period of 12 months from 1st April 1932.

70. *Revenue, consumption and average taxation.*—The revenue realised under this system in 1932-33 amounted to Rs. 170·71 lakhs; of this 105·35 lakhs were realised from duty and 65·36 lakhs from license fees. The issues of spirit amounted to 10,55,627 proof gallons. The average taxation was thus Rs. 16·17 per proof gallon, of which Rs. 9.98 were derived from duty and Rs. 6·19 from license fees. In 1931-32 the revenue realised under this system to Rs. 172·20 lakhs and the quantity of spirit issued was 10,37,389 proof gallons. The average taxation was thus Rs. 16·59 per proof gallon. In 1912-13 the receipts from spirits under the contract supply system amounted to Rs. 96·64 lakhs and the issues of spirit to areas under the same system amounted to 1,826,089 proof gallons. This gives an average taxation of Rs. 5-4-8 per proof gallon.

Toddy.

71. As in Madras, the Bombay toddy revenue is derived from two sources, *viz.*, tree-tax on the palms from which toddy is drawn, and license fees for the right of vend; but the total revenue obtained is much smaller than it is in Madras. In Madras fresh toddy is exempt from taxation, in Bombay no such exemption is allowed, as it is held that fermentation begins in toddy as soon as it is drawn from the trees.

72. *Tree-tax.*—Tree-tax is universal in the Bombay Presidency, but the rates charged per tree tapped vary materially in different districts, and even in parts of the same district. They were highest in 1932-33 as in the previous year in Bombay itself and in parts of Thana, Kolaba, and Surat, *viz.*, Rs. 12 on each cocoanut and palmyra tree tapped and Rs. 6 on each date and wild palm, and as low as 8 annas and 4 annas per tree in Kaira and Panch Mahals, respectively. The more common rate was Rs. 6 for a cocoanut or brab and Rs. 3 for a date or wild palm. The rates of tree-tax were almost the same in the years 1912-13.

73. The trees licensed to be tapped were indicated by numbers and marks. These are affixed by the licensees themselves under the supervision of excise officers.

74. *Domestic consumption licenses, etc., in Kaira.*—In the Kaira District, licenses were granted to the owners of trees to tap on payment of tree-tax a limited number of trees for domestic consumption only. If shops were set up for sale of toddy, a license fee of Rs. 10 a year was imposed.

75. *Domestic consumption licenses in the Panch Mahals.*—In the Panch Mahals, licenses for domestic consumption were granted uptil 1931-32 free, *i.e.*, without payment of any fee or tree-tax but from 1932-33 a small tax of annas 4 per tree tapped was imposed, the number of trees allowed being not more than one tree for every two toddy drinkers. Toddy was allowed to be sold under a booth license which was granted at a fee of Re. 1 per year. No shops were allowed.

76. *General license fee system.*—In the remaining districts the sale of toddy was conducted under the separate licensing system under which three kinds of licenses were ordinarily allowed:—

(*a*) Shop licenses;
(*b*) Tree-foot booth licenses; and
(*c*) Domestic consumption licenses.

These licenses were granted on payment of tree-tax and in the case of shop and tree-foot booth on payment of license fees in addition.

77. There were, however, some variations in the way in which this system was applied to the different districts.

(1) In the Town and Island of Bombay the tappers were independent of the shopkeepers. They paid the tree-tax and supplied toddy as they pleased to shopkeepers. The shop licenses and tree-food booths were disposed of by open auction, also by tender or private negotiations according to circumstances.

(2) In all the remaining districts the system was uniform. The shopkeepers made their own arrangements with tappers who got tapping licenses on the application of shopkeepers and on payment of tree-tax. In all these districts, except Ratnagiri toddy shops were auctioned for a period of one year only from 1st August to 31st July. In Ratnagiri the period ran from 1st April to 31st March.

Licenses to tap and sell toddy at the tree-foot booths were also disposed of for a period of one year from 1st August 1932 to 31st July 1933 in all the districts, except Ratnagiri, where the period was from 1st April 1932 to 31st March 1933.

Licenses to tap a limited number of trees for domestic consumption only were issued to owners of trees on payment of tree-tax only.

(3) Maximum prices for the retail sale of toddy at shops and tree-foot booths were abolished with the introduction of the auction system in all the above districts.

With a view to encourage the manufacture of gul from the juice of toddy trees, tapping of these without the payment of tree tax was permitted.

78. *Toddy receipts.*—The consumption of toddy was largest in Thana, Surat and Ratnagiri Districts and in the Town and Island of Bombay. The total revenue realised under this head in the year under report amounted to Rs. 52·00 lakhs, of which 19·12 lakhs were obtained from tree-tax. In 1931-32 the total revenue amounted to Rs. 43·64 lakhs, compared with Rs. 19·96 lakhs in the year 1912-13.

Indian-made Foreign Spirit.

79. Rum, and other potable liquors, rectified spirits, spirits of wine, etc., manufactured in the Bombay Presidency or imported from other parts of India and treated as "foreign liquor" for fiscal purposes were assessed to duty at the rate of Rs. 25-10-0 per proof gallon and were sold under licenses for the vend of foreign imported liquors. The concessional rate of duty of Rs. 5 per proof gallon on Indian-made spirits used in medicinal and toilet preparations manufactured in the Bombay Presidency, or imported into the Presidency from other parts of British India or Indian States was increased with effect from 20th January 1933 to Rs. 10 per proof gallon in the case of medicinal preparations and to Rs. 17-8-0 per proof gallon in the case of toilet preparations. Rectified spirit of Indian manufacture used for denaturation or industrial purposes under proper authority was exempt from duty. The use of duty-free undenatured absolute alcohol and rectified spirit was also allowed to schools and colleges for teaching and research purposes. The duty on rum, etc., falling under this head amounted in 1932-33 to Rs. 8·0 lakhs against 8·64 lakhs in the preceding year and Rs. 2,756 in the year 1912-13.

Malt Liquors Manufactured in India.

80. There were no breweries in this Presidency.

Imported Liquors.

81. These paid customs duty on arrival in India and the excise revenue was realised in the shape of vend (pass) fee at the rate of Rs. 1-8-0, Rs. 1-8-0 Rs. 0-12-0 and Rs. 0-6-0 per dozen quart bottles of spirit (except rectified spirit), denatured spirit, wine and beer respectively, and Rs. 2 per dozen quart bottles of rectified spirit of proof strength when the liquor was in bottles and at the rate of Re. 1 per proof gallon of spirits, annas 12, annas 6 and annas 3 per bulk gallon of denatured spirit, wine and beer respectively when the liquor was in wood. This vend fee was levied at the time of clearance from the Customs House, in addition to the license fee charged for the right of vend at the shops. Fees at these rates were also levied on Indian-made foreign liquor manufactured in the Bombay Presidency or imported from other parts of India.

Besides vend (pass) fees, special fees at the following rates were levied on foreign liquor imported by persons other than those holding " trade " licenses.

When the liquor was imported in bottles.

Rs.	a.	p.	
6	0	0	per dozen quart bottles of sparkling wines ;
4	8	0	per dozen quart bottles of spirits (including liquors and milk punch);
2	4	0	per dozen quart bottles of other wines ;
1	0	0	per dozen quart bottles of beer, cider and formented liquors.

When the liquor was imported in the wood.

3	0	0	per proof gallon of spirits (including milk punch) ;
1	2	0	per bulk gallon of wines other than sparkling wines ;
0	8	0	per bulk gallon of beer, cider and fermented liquors.

NOTE.—Sparkling wines and liquors were not imported in the wood.

The shop licenses were classified as (1) ' trade ' for supplying the trade only ; (2) Retail " on " (in Bombay City only) ; (3) Retail " on " beer licenses (in mofussil only) ; (4) Restricted retail " off " with a minimum limit of sale of two gallons (in Bombay City only) ; (5) " Off" with a minimum limit of sale of one pint ; and (6) " Wholesale " denatured spirit with a minimum limit of sale of five gallons. In Bombay, 64, 62 and 34 trade, retail ' off ' and retail ' on ' licenses were issued in 1932-33 whilst 4 trade and 137 ' off ' licenses were issued in the mofussil. There were also special licenses for sale in hotels, refreshment rooms, travellers bungalows, clubs, etc. Except in the case of the trade and the denatured spirit licenses which were issued on payment of fixed fees, all other licenses were charged license fees quarterly calculated on the basis of sales in the preceding quarter according to the scale sanctioned by Government. Besides this quarterly assessment on actual sales, fixed license fees varying according to the circumstances of each case, were charged, except for retail ' off ' licenses. In the case of non-privileged ' on' shops in Bombay the good will was auctioned, in addition to the levy of quarterly license fees on sales. Licenses for the sale of foreign liquors at Military Canteens established under the " Canteen Tenant System " were charged license fees on actual sales of liquor at the same rates as were prescribed for other licenses.

The number of licenses for the sale of foreign liquor was 2,842 against 2,637 in the preceding year. The increase was mainly due to the increase by 72 of denatured spirit licenses and by 125 of temporary refreshment stall licenses. There was a slight increase under the other classes of licenses.

The minimum strength at which foreign liquor could be sold in Bombay or in the mofussil was fixed at 35° U. P. in the case of gin and 25° U. P. in the case of other potable spirits. Spirits selling at not less than Rs. 55 per gallon and liquors which were obscured in strength are however permitted to be sold at strengths lower than 25° U. P.

82. *Imports and consumption of foreign liquors.*—The imports of foreign liquors into Bombay City by sea during the year under review, compared with those of the previous year and 1912-13 were as follows :—

Year.	Fermented liquors.	Wines.	Potable spirits.
	Liquid gallons.	Liquid gallons.	Proof gallons.
1932-33	12,86,150	51,305	1,19,932*
1931-32	12,85,069	36,915	97,810†
1912-13	12,73,723	1,10,468	3,16,034

* Includes 3,066 proof gallons and 78 bulk gallons of liqueurs.
† Includes 2,612 proof gallons and 155 bulk gallons of liqueurs.

The following table gives the statistics of sales of potable foreign liquors in the year under report, compared with those in the previous year and 1912-13 :—

Year.	Fermented liquors.	Wines.	Potable spirits.
1932-33	9,36,216	29,463	1,75,588
1931-32	9,48,153	31,460	1,93,614
1912-13	5,15,711*	86,232	3,42,103*

* L. P. Gallons.

The decrease in potable liquors was mainly due to, as in previous years, the high selling prices consequent on the continuance of the enhanced rates of both excise and customs duties, and the reduced resources of the people on account of trade depression and unemployment. It was also partly due to the greater use of masala, *i.e.*, spiced country liquor in place of foreign liquor on economic grounds. The decrease in the consumption of beer was mainly due to reduced consumption at military canteens owing to the reduction in the pay of the troops.

Location of Shops.

83. The number of liquor shops for the retail vend of country spirit increased from 1,619 in 1931-32 to 1,651 in the year under report. 33 additional shops were opened on the recommendation of the Excise Advisory Committees concerned in places where they were required to meet the legitimate needs of the consumers or combat illicit distillation (one shop was closed on the recommendation of the Excise Advisory Committee). Wherever new shops were opened, care was taken to ascertain previously the wishes of the local residents. Local Advisory Committees were constituted for the consideration of questions affecting the number and location of liquor shops, both in municipal and rural areas throughout the Presidency proper. The precise constitution of the Committee was determined by the Local Government. Ordinarily each of them had 9 members of whom 6 were non-officials. The Government of Bombay had ordered that no new shops should be opened in any locality without their sanction which would be granted only in very exceptional cases.

84. *Temperance activity.*—There were no genuine temperance movements in Bombay City or in the mofussil. Sporadic attempts were made to picket town shops in East and West Khandesh Districts but these had no effect on sales owing to prompt arrest of picketers. Some activities were also started for cutting down toddy trees in Kanara district, but they were immediately checked. There was no terrorism or intimidation and the licensees carried on their business in security as in the normal times.

85. In connection with the excise arrangements for the year 1932-33, the rationing system was continued, the total ration for each district being fixed at the same figure as that of the previous year. This ration was distributed by the Collectors, the annual ration for each shop being fixed by them at the beginning of the year and adjustments made from time to time between shops as required. No monthly rations for shops were fixed.

The country spirit, toddy and hemp drugs shop licenses in the whole of the Presidency proper and opium licenses in the mofussil were disposed of by unrestricted auction sale, Collectors being allowed to use the following alternative or supplementary methods when satisfactory disposal by open auction was not found feasible :—

(*a*) auction with or without simultaneous tender ;
(*b*) tender ; or
(*c*) negotiation.

Opium licenses in the Town and Island of Bombay, Bandra and Kurla were continued to the previous year's licensees for an amount which represented a 20 per cent. increase of the previous year's license fees.

Foreign liquor " on " licenses in the Town and Island of Bombay were continued to the previous year's licensees on payment of an amount which represented a 25 per cent. increase over the previous year's license fee, licenses not so accepted, being disposed of by auction.

The strength of country spirit was raised from 40° U. P. to 30° U. P. in the Akola Taluka of the Ahmednagar District ; in Surat City Bulsar Taluka and Bulsar Municipal area and in some villages of the Surat District ; the duty on 30° U. P. being kept the same as that on 40° U. P.

The opening hour for opium shops was fixed at 6-30 A. M.

The still-head duty rates were reduced (1) in the case of border shops in the East Khandesh District, (2) in the Nandurbar, Taloda, Sakri, Dhulia and Sindkheda talukas of the West Khandesh District, and (3) in the Prantij Taluka and Modasa Mahal of the Ahmedabad District.

The rate of duty on ganja in the Presidency proper was reduced from Rs. 35 to Rs. 30 per seer.

The concession of free tapping of toddy trees for domestic consumption allowed in the Panch Mahals District was abolished and a small tax of annas 4 per tree tapped imposed.

The duty on (1) medicinal preparations and (2) toilet preparations containing Indian-made spirit and manufactured in India was raised to Rs. 10 and Rs. 17-8-0 per proof gallon, respectively, with effect from 20th January 1933.

A vend (pass) fee of annas 12 per bulk gallon or Rs. 1-8-0 per dozen quart bottles of denatured spirit manufactured in or imported into this Presidency was imposed.

The charges of the Superintendents of Excise Ahmedabad, Panch Mahals, Nasik, Poona and Belgaum were, with effect from 1st November 1932, reconstituted as follows :

(*a*) Ahmedabad Division (Ahmedabad, Kaira and Panch Mahals districts).

(*b*) Thana Division (Thana and Bombay Suburban districts).

(*c*) Nasik Division (Nasik and Ahmednagar districts).

(*d*) Poona Division (Poona, Satara and Sholapur districts).

(*e*) Belgaum Division (Belgaum and Bijapur districts).

The Combined Salt and Excise Chief Account Office was split up and a separate Chief Account Office for the Excise Department, under a gazetted officer with the designation of Chief Account Officer of Excise, was created with effect from 1st May 1932.

Whereas formerly only the net receipts from the departmental working of the Nasik Distillery were accounted for in the Civil Budget Estimates both the gross receipts and gross expenditure are now shown therein.

86. *Offences against Abkari law.*—The total number of cases detected during the year under report was 7,967 against 8,208 in the previous year and 2,795 in the year 1912-13. Of these 7,431 and 7,691 and 1,282 related to liquor during the years 1932-33, 1931-32 and 1912—13, respectively and the rest to hemp drugs and cocaine. The number of cases detected under ' illicit distillation ' was 4,076 as against 4,533 in the previous year. The decrease of 457 was due to the restriction on Mahura flowers and also to the reduction of still-head duty rates in certain criminal areas of the West Khandesh District, and the consequent reduction in the retail prices of licit liquor. Cases under illicit importation, exportation and transportation also decreased from 292 to 257 and those under " illicit possession " and " unlicensed sale " from 1,572 to 1,353 and 104 to 85 respectively. Cases under " Miscellaneous offences " rose from 1,190 to 1,660 ; the increase being mainly due to the detection of a number of cases of possession of Mahura flowers in excess of the prescribed limit.

Administrative Agency.

87. The administration of the Abkari Department was vested by the Bombay Abkari Act in the Collectors of districts under the general control of the Commissioner of Excise assisted by a staff of a Personal Assistant and Superintendents of Excise, distillery and preventive Inspectors, Assistant Inspectors and Sub-Inspectors, ministerial officers (such as clerks and karkuns) and a force of constabulary staff. Certain powers under the Act were also conferred on officers of kindred departments, such as the Customs, Salt, Police and Forest which rendered assistance in checking the manufacture, importation or sale of excisable articles in contravention of the Act. For the supervision of distilleries and bonded warehouses in the Presidency proper, the Presidency has been divided into three circles, *viz.*, the Northern, Central and Southern Circles. The distilleries and bonded warehouses in each circle have been

placed in charge of an Inspector. The whole cost of the distillery supervision establishment was debited to Government.

Average Total Excise Revenue.

88. Calculated on the figures of the census of 1931 the incidence of the total excise revenue realised in the British Districts of the Bombay Presidency outside of Sind, (*viz.*, 315·42 lakhs) was Rs. 1-12-0 per head of which about four-fifths were attributable to liquors. The incidence of total excise revenue per head of population in 1931-32 amounted to Rs. 1-10-4 as against 1·01 in 1912-13.

CHAPTER III.

SIND.

89. The total revenue for the year ending 31st March 1933 amounted to 31·15 lakhs and was realized under the following heads—

Heads.	Receipts in Lakhs of Rupees.	Percentage of total Excise receipts. 1932-33.
Country spirit	14·17	45·49
Toddy	0·12	0·39
Duty on country rum, etc., manufactured in India and excised as foreign	0·02	0·06
License and Vend Fees on imported liquors, etc., (including receipts from commercial spirits)	4·29	13·77
Opium and its preparations	4·38	14·06
Hemp Drugs	6·76	21·70
Miscellaneous	1·41	4·53
	31·15	100·00

90. In 1931-32 the Excise Revenue amounted to Rs. 29·93 lakhs as against Rs. 23·19 lakhs during the year 1912-13. In 1931-32 the revenue from country spirit amounted to Rs. 13·69 lakhs as against Rs. 14·13 lakhs in 1912-13. This memorandum is concerned with the first four items.

91. The liquor traffic in Sind was regulated by the Bombay Abkari Act (V of 1878) as amended by Bombay Acts, III of 1892, I of 1903, III of 1905, XII of 1912 and Act IX of 1929.

Country Spirit.

92. Until the year 1909-10, the revenue from country spirit was realized under the Distillery system corresponding with the 'Free supply system' under which manufacture was completely separated from vend and there was no monopoly of either. From 1st April 1910, the system was replaced by one of "contract supply" such as is now in force, in the greater part of the Presidency Proper. Under this system the Province was divided into three contract areas comprising, (1) the District of Karachi (2) the Districts of Hyderabad, Nawabshah, and Tharparkar and (3) the Sukkur, Larkana, Upper Sind Frontier and Dadu (newly created) Districts. Molasses and *mhowra* spirit were to be supplied to the Karachi and Hyderabad Districts and molasses spirit to other districts. The contracts for each of these areas were given out for a period of one year only (1910-11) and were renewed for the following year 1911-12. In 1912-13 the contracts for areas (2) and (3) were merged into one. From 1st April 1910 to 31st March, 1918, a separate contract was also given out from the supply of *mhowra* liquor to the Karachi and Hyderabad Districts where alone such liquor was consumed. From the 1st February 1918 manufacture of country spirit in Sind ceased, pending the construction of an up-to-date distillery at Kotri and supplies were obtained by importation from outside Sind. The Government Distillery at Kotri re-opened on the 27th September 1922 and commenced manufacture in October 1922. The importation of country spirit from outside Sind then

ceased. Sind has now one contract area. The (one year) contract regarding the manufacture of country spirit at the Government Distillery at Kotri expired on 31st March 1932. It was further extended by one year ending 31st March 1933.

93. *Arrangement of supply.*—Country spirit for supply to Sind, was manufactured at Kotri and distributed from the Kotri Distillery and Bonded Warehouses at Karachi, Kotri and Sukkur. The bases used were molasses (imported from Java) and *mhowra* upto 1925-26 and thereafter molasses only. At Kotri a patent still was installed with modern accessory plant. The cost in the first instance was borne by the contractors but under the terms of the contract, the new contractor will take over the plant when the contract expires. The Distillery and Warehouse buildings were provided by Government and rented to the contractors. Before the Kotri Distillery commenced manufacture, spirit was being imported by Government from the Distilleries of Amritsar and Cawnpore, and distributed to retail licensed vendors through a distributing contractor. A steam heated pot still was also installed at the Kotri Distillery in 1925-26 for the manufacture of masala country liquor.

94. *Still head duty, etc.*—The following were the sanctioned rates of still head duty in 1931-32 and 1932-33.

	Strength.	Rates of duty. Rs. a. p.
Strong spirit.	25° U. P.	8 0 0
Weak spirit	40° U. P.	6 4 0

In 1912-13, the rates of duty and the strengths at which both *mhowra* and molasses spirit were issued, were as follows :—

	Strength.	Rates of duty. Rs. a. p.
Strong spirit	10° U. P.	5 0 0
Weak spirit	40° U. P.	3 4 0

95. *Retail vend.*—The retail vend licenses throughout Sind were sanctioned for one year. Under the auction system, a minimum and not maximum selling price was fixed. The number of shops licensed for the retail sale of country spirit during the year under review was 109 as against 102 in the preceding year and 249 in 1912-13.

96. *Average taxation.*—Out of Rs. 14·17 lakhs realized from country spirit in 1932-33, 5·54 lakhs were derived from vend fees and the rest from still head duty. The issues for consumption amounted to 79,430 proof gallons bearing an average duty of Rs. 10-13-11 and total taxation Rs. 17-13-6 per proof gallon. The total consumption of country spirit and the total taxation per proof gallon thereon, during the preceding year compared with those of the year 1912-13 were as under—

Year.	Total consumption in L. P. gallons.	Total taxation.
1912-13	2,28,204	6 3 1
1931-32	73,536	18 9 10

97. Toddy was sold in the towns of Karachi (and its suburb Malir) Hyderabad, Sukkur and Kotri only. In the towns of Hyderabad and Sukkur, shops were licensed for the first time from 1st January 1923. The quantity of toddy sold in 1932-33 was 23,639 gallons against 20,973 gallons in the preceding year and 3,972 gallons in 1912-13, and the revenue realized was Rs. 11,847 as against 7,162 in the preceding year and Rs. 1,265 in 1912-13. 9 shops were licensed for the retail vend of toddy, 6 in Karachi and one each in Hyderabad, Sukkur and Dadu Districts. In 1912-13 there were only four shops authorised to sell toddy, 3 in Karachi and one in Larkana. The supply of toddy depends upon the willingness of private owners of trees to allow them to be tapped for the purpose. The increase in consumption of 2,666 gallons was due to the fact that toddy, on account of its low selling price, was gaining in popularity particularly among the middle and labouring classes who were the chief consumers of this beverage. Supply arrangements were satisfactory. The tree tax system was not in force. The contractors held the combined privilege of tapping and vend. Stocks at shops were usually exhausted on the day of their arrival, so that toddy was consumed in a comparatively fresh state. The palms tapped were situated at Malir and Jhimpir in the Karachi District, Kotri in the Dadu District and in the town of Sukkur. No state owned trees were tapped.

Indian spirit excised at Tariff rates.

98. In 1932-33, 525·4 proof gallons of rectified spirit were manufactured at the Kotri Distillery as against 1,089·6 proof gallons in the preceding year. Supplies of other kinds of spirit were obtained in small quantities from other provinces, and sold under the ordinary Retail foreign liquor licenses. There were no breweries in the Province.

Imported liquors.

99. The duty on Foreign liquor, etc., imported by sea was credited to customs. Excise revenue on these liquors was realized from the pass fee, fixed license fees for the right of vend, ' Good will ' of retail ' on ' licenses and license fees assessed on the actual sales.

Ordinary vend licenses were of 3 classes, *viz.*, ordinary Trade and Import retail ' off ' and ' on ' licenses. Ordinary Trade and Import licenses were granted only in Karachi town to the firms doing a large business. These licenses were granted on payment of the annual fee of Rs. 600 with permission to sell only to the Trade in the Bombay Presidency (including Sind) and any body outside the Presidency. A vend fee at the rate of Rs. 1-8-0 Re. 0-12-0 and Re. 0-6-0 per dozen quart bottles of spirit (except rectified spirit), wine and beer respectively for liquor in bottles, and at the rate of Re. 1 per proof gallon of spirit and Re. 0-6-0 and Re. 0-3-0 per bulk gallon of wine and beer respectively, for liquor in the wood, was also levied at the time of clearance from the Custom House. Fees at these rates were also levied on Indian made foreign liquors, manufactured in the Bombay Presidency or imported from other parts of India. Special import licenses were granted to hotels and clubs at their request on payment of a fee of Rs. 100 in the first case, and without fee in the latter case to enable these institutions to import for their own needs but not for supply to other licensees or the public. Trade and Import (Land Frontier) licenses were granted in mofussil for the import of Indian made foreign liquor (by land) on payment of the annual fee of Rs. 25, Rs. 50 or Rs. 100 according to the volume of the business.

Retail ' off ' licenses permitting the sale of liquor in quantities of not less than half a pint at a time and prohibiting consumption on the premises were granted in all districts on payment of the license fees assessed on actual sales at the prescribed standard rates subject to a minimum of Rs. 250 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur and Rs. 100 in the mofussil. In case of new foreign liquor ' off ' shops the selection of the first licensees was determined by auction. Then they were continued to the same licensees subject to good management.

Restricted or special retail off licenses were granted to the old wholesale licensees who were authorized to sell to the public, quantities of not less than one dozen quart bottles or two gallons at a time, on payment of license fee on actual sales at the rates prescribed for retail ' off ' licenses.

Retail ' on ' licenses and licenses for the sale of malt liquor of Indian and foreign manufacture were granted only in towns and their ' Good will ' was auctioned. In addition to the good will they paid license fees on the actual sales subject to a minimum of Rs. 500 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur and Rs. 200 in the mofussil per annum.

Licenses for the sale of liquors in hotels and refreshment rooms (other than Railway Refreshment Rooms) were also granted at certain fixed fees according to their classification in addition to the license fees assessed on actual sales. Hotels were charged Rs. 150 extra per annum for late closing hours.

Railway refreshments and dining cars were charged fixed fees at the discretion of the Collector subject to the approval of the Commissioner in Sind in addition to the fees assessed on actual sales. Licenses were also issued for the sale of fermented liquor at Military Canteens established under the ' Canteen Tenant system ' on payment of license fee on the actual sales.

In 1932-33, 16 wholesale, 44 retail 'off', 13 retail 'on', 277 (52 permanent and 225 temporary) hotel, refreshment room and club etc., 10 canteens and 7 beer licenses were issued. In 1931-32 the total number of such licenses issued was 340 against 205 in the year 1912-13. The retail ' on ' shops in the town of Karachi and Hyderabad and beer shops in all districts were disposed of by auction while the other permanent licenses were renewed to the previous holders.

The minimum strength at which foreign spirit was permitted to be sold was fixed at 31 ° U. P. for gin and 25° U.P. for other potable spirits. In 1912-13, the minimum strengths of spirit were the same, spirits sold at a retail price of not less than Rs. 50 per gallon and liquor obscured in strength, were exempted from the restriction as to the minimum strength. For figures showing consumption of potable foreign liquor see Statement II.

100. The following important changes relating to liquor were introduced during the year :—

(*a*) One Foreign liquor ' off ' shop at Dadu was opened from 1st April 1932 (G. R., R. D., No. S.-77/22230, dated the 12th January 1932).

(*b*) Seven new country liquor shops were opened in Sind from 1st April 1932.

(*c*) One hotel license was sanctioned at the Royal Air Ship Base, Drigh Road, under G. R., R. D., No. S.-77-/7869, dated 20th May 1932, but it was subsequently closed.

(*d*) The licensed manufacturers were allowed to use absolute alcohol in place of rectified spirit in the manufacture of perfumed spirits (G. R., R. D., No. 9256/28, dated 22nd July 1932).

(*e*) The Excise duty on spirituous medicinal and toilet preparation manufactured in Sind or imported into it from other parts of British India or Indian States within its geographical limits was raised to Rs. 10 per proof gallon of spirit on medicinal preparations and Rs. 17-8-0 per proof gallon of spirit on toilet preparations containing spirit of Indian manufacture. (G. R., R. D., No. 1652-C., dated 20th January 1933.).

(*f*) A vend (Pass) fee of annas 0-12-0 per gallon was levied on Denatured. spirit (G. R., R. D., No. 25/33, dated 27th January 1933).

(*g*) One military canteen tenant system license was sanctioned to Mr. M. M. Mohd. Sidiki and Sons under G. R., R. D., No. S.-77/3121, dated 23rd February 1933.

As a measure of retrenchment the appointments of Deputy Superintendent of Salt and Excise, Karachi Town, one clerk and one peon were abolished.

101. The number of offences relating to liquor was 228 as against 177 in the preceding year. The increase in the number of cases was accounted for by an increase of illicit distillation of liquor which was due to the increasing diversion of the drinking classes to illicit liquor on account of high prices at which licit liquor was sold. The number of convictions for drunkenness was 15 as against 11 in the preceding year.

102. *Temperance Movements.*—No temperance activities of note occurred during the year.

103. As in the last year the number of Excise Advisory Commitees was 39. Their chief recommendations are summarized below :—

(*i*) Raising of the issue strength of country spirit.

(*ii*) Opening of additional country spirit shops.

(*iii*) Change in the opening and closing hours of country liquor shops.

(*iv*) Extension of the system of closing liquor shops on certain holidays in vogue in Municipal areas to rural areas.

(*v*) Closing of liquor shops on Guru Nanak's Birthday, Guru Gobind Singh's Birthday, Shabe Barat and Ashura, 10th day of Mohurrum.

(*vi*) Opening of a Foreign liquor 'off' shop at Gariyasin.

(*vii*) Opening of a Foreign liquor 'off' shop at Ghotki.

(*viii*) Opening of an additional Foreign liquor shop at Jacobabad.

(*ix*) Reduction in the limit of sale, possession and transport of country spirit without a permit.

(*i*) On the above recommendations from 1st April 1933 the strength of country spirit is being raised from 25° U. P. to 15° U. P. as an experimental measure. (*ii*) Additional country spirit shops are being opened throughout the province of Sind. (*iii*) The closing hour of country spirit shops is being extended to 10 P.M., during summer experimentally. (*iv*) to (*ix*) rejected under Commissioner in Sind's No. Exc.-3908 and 3909, dated 27th December 1932.

104. *Location of Shops.*—The objections of residents to the opening of new liquor shops were invariably invited and they received due consideration. Proposals to open new shops were also referred to the Local Excise Advisory Committees.

105. *Administrative agency.*—The Collection of Excise Revenue was in charge of the Collectors of Districts under the control of the Commissioner in Sind. A combined establishment was maintained for the protection of the Excise and Salt Revenues. The establishment was subject to the authority of the Commissioner in Sind under the control of the Superintendent of Salt and Excise, Sind, aided by three Deputy Superintendents. The appointment of the Deputy Superintendent of Salt and Excise, Karachi Town, was abolished, owing to retrenchment under G. R., R. D., No. 7262/28, dated 12th October 1932. The Deputy Superintendents acted also as advisers in excise matters to the District Collectors.

106. *Average total Excise revenue.*—Calculated on the census of 1931, the average Excise Revenue for the year 1932-33 was Re. 0-12-10 per head of which about three-fifths were derived from liquors. In 1931-32 the incidence of Excise revenue per head of population calculated on the census of 1931 worked out to Re. 0-12-4 of which the proportion derived from liquor was the same as in the year under report. In 1912-13 the average Excise revenue per head was Re. 0-10-6 of which about three-fifths were derived from liquors.

CHAPTER IV.

BENGAL PRESIDENCY.

107. *Excise Revenue.*—The gross Excise Revenue for 1932-33 was Rs. 140·59 lakhs and was realised under the following main heads :—

Heads.	Revenue (in lakhs of rupees).	Percentage of total excise revenue.
Country Spirit	41·29	29·36
Country fermented liquors (tari and pachwai)	17·34	12·68
Foreign liquors (including Indian beer)	11·62	8·26
Opium and its preparations	38·19	27·16
Hemp drugs	31·18	22·25
Miscellaneous	·47	·29
	140·59	100·00

In the previous year, the total excise revenue amounted to Rs. 156·82 lakhs, and the revenue realised from country spirit was Rs. 49·94 lakhs The corresponding figures for the year 1912-13 were Rs. 137·59 and Rs. 64·10 lakhs respectively (*cf.* statements VII and VIII). The net revenue from excise during the year 1932-33 shows an increase of 1·21 per cent. on the corresponding figure for 1912-13 and a decrease of 11·15 per cent. on that of the preceding year. This memorandum is concerned only with the first three items.

108. *Law regulating liquor traffic.*—The Bengal Excise Act, V of 1909, as amended by the Bengal Excise (Amendment) Act, VII of 1914, and the revised statutory rules published in Government Notifications Nos. 595-S. R., 596-S. R. and 601-S. R., dated the 30th March 1915, as amended from time to time, were in force throughout the Presidency.

Country Spirit.

109. *Definition of "Country Spirit."*—The expression "Country Spirit" in Bengal means plain unsophisticated spirit made from Mahua and molasses and excised at special rates.

110. *System of supply.*—In 1912-13 the Contract supply system was in force in the Burdwan, Presidency and Rajshahi Divisions, the Sadar distillery system in the Dacca Division, and the Outstill system in the Chittagong Division. During that year, 8·43 per cent. of the whole area was under outstill system and the percentage of population served by that system was 11·52 (see Statement V). In 1930-31 and 1931-32 the right of manufacture and supply of country spirit to retail dealers throughout the Presidency was owned by 3 private distillers in the Presidency working under the English method. The distillers were formerly required to supply country spirit to retail vendors at a fixed price, determined by tender. As, however, the price of raw materials fluctuated considerably and the distillers were unable to tender at firm rates for over long periods, the Government of Bengal modified the system, and directed that from the year 1921-22 the cost price to be charged by the distillers from the retail dealers should be fixed annually on a consideration of the "cost price of raw materials" and the "manufacturing charges". The system was gradually perfected and the present method of calculation and fixation of the cost price of country spirit, which is based on

the cost of raw materials every year and a sliding scale for manufacturing charges based on output, was finally approved by the Government in 1926-27 and came into operation from the 1st July 1926.

The contracts with the distillers for the supply of country spirit in Bengal were renewed for a period of two years from the 1st July 1931.

Spirit manufactured at these distilleries was conveyed to and stored in warehouses built by Government, and situated at district or sub-divisional headquarters, or at other suitable centres within the supply areas. Each warehouse was in charge of a Government officer and was suitably guarded. The operations of storage, reduction, blend and issue in the warehouses were performed by the distillers' employees under the supervision of the Government officer-in-charge. The spirit was conveyed from the distilleries to the warehouses under bond, and duty was levied upon it as it was issued to the retail vendors from the warehouses.

In the whole of the Presidency, the strengths for the retail sale and the retail vend-prices of country spirit were fixed. Dilution by retail vendors was prohibited. The distillers were not allowed to have any interest in the retail business.

111. *Strengths of issues and rates of duty.*—The standard strengths at which spirit was issued to retail vendors from distilleries and warehouses varied during the year 1931-32 and 1932-33 in the Province as a whole, from 25° to 75° under-proof.

The duty varied in these years from Re. 16-2-3 to Rs. 0-5-6 per Imperial bulk gallon according to the strength, being highest in the districts of Calcutta, 24-Parganas, Howrah and Hooghly, Dacca and Mymensingh, and lowest in certain tracts inhabited by aboriginals in the Bankura and Midnapore districts in the Burdwan Division and by hill men and others in the Darjeeling and Jalpaiguri districts and in the tea garden areas of the district of Chittagong. In 1912-13 the standard strengths at which spirit was issued to retail vendors varied, taking the Province as a whole, from 10° to 70° under proof, and the duty varied from Rs. 5-10 to Re. 0-13-4 per gallon, according to strength, being highest in Calcutta and lowest in certain backward tracts in the Burdwan Division.

112. *Retail vend arrangements.*—Licenses for the retail sale of country spirit in the whole of the Presidency were settled during the years 1931-32 and 1932-33 under the "Bengal Licensing (Fixed Fee) System," under which the retail prices for consumers were fixed, and the monthly license fee for a shop was calculated on the monthly issues thereto according to a sliding scale, the rate of fee per L. P. gallon increasing with an increase in the total issues, thus securing a proper proportion of the monopoly value of each shop for the state. In 1912-13, the right of retail vend in distillery areas was disposed of by annual auction, separately for each shop, except in Calcutta where licenses were auctioned every two or three years.

113. *Number of country spirit shops.*—In 1932-33 the number of licenses (permanent and temporary) for the sale of country spirit was 909+7=916, compared with 1,287 in 1912-13, a reduction of 28·82 per cent. and 919+7=926 in the year 1931-32—a decrease of ·75 per cent. (*cf.* Statement IV). In 1912-13, there was one shop to every 35,340 inhabitants, whereas in 1932-33 there was one to every 50,192. The average population per shop thus increased by 53·64 per cent.

In 1912-13, the average area served by each shop was 61·15 square miles. In 1931-32 it was 78·90 square miles, and in 1932-33, 77·06 square miles.

Imperial Return III of the Bengal Excise Administration Report for 1932-33 shows 3 "distillers licenses" under the head "wholesale licenses for the sale of country spirit". These represent licenses granted to the distillers to cover disposal of their liquor at the distillery or a warehouse.

In 1912-13, there were such 29 "distillers' licenses" for the manufacture and wholesale vend of country spirit.

114. *Consumption, revenue from and average taxation on country spirit.*—Including receipts from distillery and vend license fees the total country spirit revenue for 1932-33 in the Presidency was Rs. 41·29 lakhs, whereas in 1912-13 it amounted to Rs. 64·10 lakhs (including Rs. ·83 lakh from outstill areas) and Rs. 49·94 lakhs in 1931-32 (*see* Statement VII). The consumption of distillery liquor in 1932-33 was 2,71,005 proof gallons, against 8,51,534 proof gallons in 1912-13—a reduction of 68·17 per cent. in average consumption—and 3,83,037 proof gallons in the preceding year—a reduction of 14·58 per cent. in average consumption (*cf.* Statement I). The average taxation per proof gallon in 1932-33 amounted to Rs. 15-3-0 of which Rs. 13-8-0 were derived from duty and the balance Rs. 1-11-0 from vend fees, etc., whereas in 1912-13 the corresponding figures of total taxation, duty and vend fees were Rs. 7-6-10, Rs. 4-7-10, Rs. 2-15-0 respectively. The figures for 1931-32 were Rs. 15-4-2, Rs. 13-8-0 and Rs. 1-12-2 (*cf.* Statement VI).

Country fermented liquors.

115. *Tari.*—Tari is the sap of the palm and is used either when freshly drawn from the tree or after fermentation. "Palmyra" and "date" palms are chiefly used for its production. There were no excise restrictions on manufacture and sale of fresh tari except that in tree tax areas such tari was to be drawn in vessels freshly coated internally with lime. The revenue from fermented tari was derived from shop license fees, and from a tree-tax in certain areas. The tree-tax system was in force in the Sadar and Serampore Sub-divisions of the Hooghly district and the whole of the Howrah district. The system was extended to Calcutta and the major portion of the district of the 24-Parganas with effect from the 1st April 1926.

116. *Tree-tax system.*—The system consisted of the levy of a uniform tax on each tree tapped for the production of fermented tari, in addition to a vend license fee for each shop which was determined by auction. The tree-tapping licenses were issued on the application of (1) licensed retail vendors, (2) tappers and (3) tree owners (for not more than three at a time up to a maximum of six trees for the whole year), and no tari was drawn from a tree until the latter had been properly marked.

The rates of tax per tree were as follows :—

	Rs.
Date tree	2
Palmyra tree	3
Cocoanut tree	3

117. *Revenue and Licenses.*—The total revenue derived from tari in 1932-33 was Rs. 6·87 lakhs, compared with Rs. 4·5 lakhs in 1912-13 and Rs. 7·89 in 1931-32. In 1932-33, the number of shops licensed for the retail sale of fermented tari only (restrictions on sale of fresh tari having been removed) was 467 against 853 in 1912-13, a reduction of 45·19 per cent. and 484 in 1931-32, a reduction of 3·51 per cent.

118. *Pachwai.*—Pachwai, otherwise, called "handia" or "marua" is a fermented liquor brewed from rice or millet. It is drunk chiefly by aboriginal tribes in several districts and is used both as a stimulant and as a food. It is the favourite drink of the lower classes and particularly of the aborigines. Except in Darjeeling, where pachwai is chiefly made from millet, rice is the material employed, for its production.

119. The bulk of the revenue under this head was derived from licenses for "manufacture and retail sale" which were issued in the Burdwan and Presidency Divisions except in Calcutta, 24-Parganas, Jessore and Howrah. Outside the above two divisions there were such licenses only in the districts of Chittagong, Jalpaiguri and Darjeeling. The revenue from "retail vend license-fees" and "home-brew" licenses amounted to Rs. 10·19 lakhs, compared with Rs. 8·33 lakhs in 1912-13 and 11·96 lakhs in 1931-32. The number of licenses issued for "retail sale", "home brew (annual)" and "manufacture of pachwai on special occasions" was as follows :—

	1912-13.	1931-32.	1932-33.
Retail sale	1,407	1,143	1,135
Home-brew	25,923	57,344	60,680
Manufacture on special occasions	716	698	542
	28,046	59,185	62,357

The Bengal-Fixed-Fee system of settling pachwai shops, under which the monthly license fee is realised on a sliding scale based on the quantity of rice used in the manufacture, was in force in Burdwan, Birbhum, Bankura, Hooghly, Nadia and Murshidabad districts and partially in the Midnapur and Darjeeling districts. The system of detailed and scientific control over the manufacture and sale of pachwai in licensed premises which was introduced in 1919 continued in force. The administrative measures introduced in 1926-27 to further tighten up the control over manufacture and sale of the article in licensed premises, *viz.*, (1) the fixation of a minimum strength of diluted pachwai sold in shops, (2) revision of the prescribed measures of dilution, and (3) proper arrangements for frequent tests of the strength of diluted pachwai had the desired effect. Bakhar, the fermenting agent, which was formerly under partial excise control has been now declared to be an "excisable article" for the purpose of the provisions of the Bengal Excise Act, 1909 (Bengal Act V of 1909), throughout the Presidency except in the districts of Jalpaiguri and Darjeeling.

120. *Special concession to aboriginal tribes.*—Licenses permitting home-brew of pachwai only for domestic consumption were granted in the district of the 24-Parganas, Dacca, Mymensingh, Bakarganj, Chittagong, Rajshahi, Malda, Dinajpur, Pabna, Bogra, Rangpur, Jalpaiguri and Darjeeling in the Presidency. The rates of tax varied from Re. 1 to Rs. 2 per house-hold per annum.

Besides such annual licenses, special permits were also granted to applicants for home-brew of pachwai on special occasions, *e.g.*, marriages, etc., on payment of a tax of annas 8 per household on each occasion.

Free home-brew of pachwai only for private consumption, was permitted to members of aboriginal tribes in a few districts during the annual *Bandhana* and *Pous Sankranti* festivals. It was also permitted to members of hill tribes in Darjeeling district up to a limited quantity. This privilege which was previously in force in Jalpaiguri district was withdrawn during 1925-26.

121. *"Wanchu" (A kind of fermented liquor prepared from rice).*—Licenses were granted to Chinese families in Calcutta, for the home-brew of "wanchu" (a fermented liquor prepared from rice) on ceremonial occasions on a tax of Rs. 2 per household on each occasion.

Foreign liquors.

122. *Definition of "Foreign Liquor".*—The term "foreign liquor" includes imported liquors of all kinds and certain Indian-made liquors specially classified as "foreign liquor". It also includes rectified spirit, denatured and perfumed spirits and spirits used in drugs, medicines and chemicals.

123. *Classification and amount of revenue.*—The revenue of the Presidency from foreign liquors consisted of the duty on Indian made "foreign liquors" levied under the Bengal Excise Act, and the fees paid for the right of vend of both imported and Indian-made foreign liquors. The duty under the Tariff Act was credited to the Imperial Government (Customs). The duty on local manufacture was credited to the Provincial Government (Excise) and amounted in 1932-33 to Rs. 7·30 lakhs, against Rs. 2·38 lakhs in 1912-13 and Rs. 5·61 lakhs in 1931-32. The total receipts from license fees of foreign liquors were Rs. 4·32 lakhs compared with Rs. 3·47 lakhs in 1912-13 and Rs. 4·08 lakhs in 1931-32.

124. *Vend arrangements.*—The vend arrangements and the method of imposition and collection of tax on licenses for vend of potable foreign liquor were revised from April 1922. The main features are :—

(*a*) The abolition of the previous classifications of "Wholesale," "Combined" and "Retail" foreign liquor licenses and the substitution in their place of a "License for sale to the trade" and a "License for sale to the public". Licenses for hotels, restaurant, cars and railway refreshment rooms are treated as "Licenses for sale to the public".

(*b*) All transactions between licensed dealers of foreign liquor either of Bengal or of any other province, have to be covered by a pass, and are conducted under a "Trade License".

(*c*) The license fee or license "tax" for sale to the "trade" is an annual fixed fee of Rs. 200 payable in advance and the tax for sale to the public is assessed every month at certain fixed rates on the quantity of liquor sold by "Public Licensees" to the public in Bengal in the preceding month.

The rates are :—

1. Rs. 1-2-0 per bulk gallon Brandy, Whisky, Gin and Rum.
2. Re. 0-6-0 per bulk gallon of Beer, Ale, and Cider.
3. Rs. 1-2-0 per bulk gallon of liquors.

From 1st January 1932, sales to public in other provinces outside Bengal, were assessed at the rates quoted above, and the fees thus realised were shared in moiety with the following provinces, *viz.*, United Provinces, Assam, Centrar Provinces and the Punjab.

The minimum strength for sale of whisky, brandy and rum was 25° under proof and of gin 35° under proof.

No compounding or blending of foreign liquors was permitted, except in premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed vendors holding "trade" licenses on payment of

fixed fees per annum. In the process of compounding and blending of brandy, whisky, gin and rum in Bengal no spirit shall be used except the following :—

(1) British Spirit.

(2) Bengal Spirit.

(3) Scotch Whisky.

(4) French Brandy.

The bottling of foreign liquors was also permitted by such licensees unde cover of a special license for which a fixed fee was charged.

125. *Number of licenses for the retail vend of potable foreign liquor, consumption and receipts from license fees.*—The total quantities of potable foreign liquors excluding medicated wines, sold to the public in Bengal by licensed dealers were as follows :—

	1922-23.*	1931-32.	1932-33.
Spirits	125.011	146,198	140,935
Wines	44,196	29,869	24,122
Beer	292,364	474,220	478,462

*The figures of consumption of foreign liquor for 1912-13 have not been given, as they were not accurate. Figures of 1922-23 have been given as it was from this year only that licensed dealers of foreign liquor were required to furnish regular accounts of sales. The total receipts from licence fees of potable foreign liquors were 4·16 lakhs against 3·91 lakhs in 1931-32 and 3·43 lakhs in 1912-13.

126. *Country rum.*—Indian-made rum and rectified spirits were supplied from Rosa in Shahjahanpur in United Provinces and from the local distilleries at Russa and Bahir Mirzapur Road in Calcutta and at Asansol and Konnagar. The total quantity of country rum and rectified spirits issued for potable purposes in the Presidency during the year was 13,290 proof gallons, of which 5,414 and 1,447 gallons were supplied from Rosa distillery and the rest from the local distilleries against 3,908 proof gallons in the preceding year. In 1912-13 the total quantity of rum and rectified spirits issued in the Presidency was 18,720 L. P. gallons.

127. *Country beer.*—No beer was brewed in the Presidency during the year under report.

No special licenses were issued for the retail sale of beer.

128. *Denatured spirit.*—The limit of retail sale and ordinary private possession of denatured spirit by private individuals was one Imperial gallon, and passes were required for import, export and transport in excess of this quantity. Possession in excess of one gallon was allowed only to persons licensed to sell such spirit or to use it for industrial purposes. The limit of possession by a retail licensee was 60 gallons. The fees for wholesale and retail vend licenses were Rs. 50 and Rs. 5 respectively per annum. No fee was charged for possession of such spirit in large quantities for industrial or scientific purposes.

The ordinary denaturants prescribed were mixture of light caoutchucine and pyridine (manufactured from mineral sources) in the proportion of ½ per cent. of each. But in denaturing spirit required for use in industries for which the above denaturants were not suitable, other ingredients could be used with special sanction in each case and subject to suitable excise restrictions. The use of undenatured spirit in processes in which denaturation of

any kind was disadvantageous to the product manufactured was also permitted, where necessary, subject to certain restrictions regarding control.

No case of dilution of denatured spirit by licensed vendors was reported during the year. Nor was there any case brought to notice indicating the use of denatured spirits as a beverage during the year under review. License fees amounted to Rs. 8,023 against Rs. 8,033 in the preceding year and Rs. 2,823 in 1912-13. The total quantity of denatured spirit both ordinary and special passed out from the Calcutta Custom House and the Asansol Distillery in Bengal was 3,58,640 gallons, compared with 2,27,043 gallons in 1912-13 and 5,36,436 gallons in 1931-32.

129. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured was exempted from the provisions of the Excise Act, relating to possession or sale, provided it was used as a scent and not as an intoxicant. But the manufacture of such perfumed spirit required an Excise license which was granted free of charge.

130. Rectified spirit could be sold wholesale by holders of foreign liquor "trade" licenses without any separate license. Foreign liquor "public licenses" did not cover the sale of such spirit. The issue of such spirit from a distillery or warehouse was prohibited except to licensed chemists or druggists, persons specially permitted to obtain such spirit for medicinal, industrial or scientific purposes, or to persons holding licenses for the compounding and blending of foreign liquor. Chemists or druggists were licensed to sell rectified spirit, in retail quantities for medicinal, industrial or scientific purposes only. The fee for such licenses was Rs. 50 per annum.

Supplies of locally manufactured rectified spirit, at a special rate of duty, were allowed to respectable chemists or druggists for the manufacture of spirituous medicinal preparations.

13,586 L. P. gallons of rectified spirit, 35 L. P. gallons of absolute alcohol and 229 L. P. gallons of rum were issued duty-free for Government purposes, to various institutions for scientific purposes and for use in some hospitals. In 1912-13 the quantity of rum and rectified spirit issued duty-free was 15,132 L. P. gallons and in 1931-32 5,961 proof gallons of rectified spirit, 56 L. P. gallons of absolute alcohol and 271 L. P. gallons of rum were issued duty-free.

Besides the above duty-free issues, 8,647 L. P. gallons of rectified spirit, 2,564 L. P. gallons of absolute alcohol and medicinal preparations containing 32,828 L. P. gallons of spirit were issued duty-free to charitable hospitals and dispensaries in the various provinces, while medicinal preparations and tinctures containing 59,072 L. P. gallons of spirit were sold by the various bonded manufactories, on payment of duty at Rs. 5 per L. P. gallon.

131. *Medicated wines.*—Medicated wines and similar preparations containing foreign liquor were subjected to no Excise restrictions prior to 1906-07. Since that year, however, such preparations containing alcohol equivalent to 20 per cent. but not more than 42 per cent. of proof spirit could be sold only by (*a*) foreign liquor licensees or (*b*) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries who had been specially approved by the Collector and held a special license in that behalf. If the preparations in question contained alcohol equivalent to more than 42 per cent. of proof spirit, they could only be sold by foreign liquor licensees. Such preparations containing alcohol equivalent to less than 20 per cent. proof spirit were exempted from Excise restrictions relating to sale.

132. *Sites of liquor shops.*—Sites of liquor shops were determined by Licensing Boards which functioned during the year in all the districts of the Presidency excepting the district of Darjeeling. Due deference was paid by these boards to the views of Municipal and other local bodies, and of large employers of labour. In the district of Darjeeling, where the local excise advisory committees continued to function, public opinion was similarly consulted in the matter of location of liquor shops.

133. *Excise Licensing Boards and Advisory Committees.*—The Licensing Boards exercised the powers of regulation of the number and location of premises for the retail sale of intoxicating liquors and drugs, and except in the district of Calcutta, the Boards were authorised to fix the hours of sale subject to certain restrictions.

134. *Work of Excise Licensing Boards and Advisory Committees.*—The Calcutta Board held three meetings during the year. It retained all the licenses of the previous year except those of one beer attached to a cinema and of 2 foreign liquor restaurants and sanctioned 1 foreign liquor public "off" 2 ganja, 1 opium, 1 siddhi, 1 restaurant and 2 bar licenses in restaurants. The Board also approved the transfer of sites of 5 country spirit, 2 ganja, 1 opium, 1 siddhi, 1 tari, and 2 foreign liquor "off" shops. They considered and rejected objections made against the site of 3 tari shops. The Howrah Board disallowed objection against 1 tari and 1 combined ganja and opium shop; they rejected application for one new foreign liquor "off" shop and new opium, siddhi and ganja shop. Bally Board rejected the objection against one existing country spirit shop. On the recommendation of the Sadar Licensing Board of the district of the 24-Parganas, which has jurisdiction over the whole of the district except the Barrackpur Sub-Divisions, the site of two country spirit and two tari shops were changed; one country spirit and four tari shops were abolished and 1 combined ganja and opium shop and 1 bhang shop were newly opened. The sites of 1 foreign liquor, 1 country spirit and 1 tari shops were changed; one hote license was abolished and 1 foreign liquor "on", 1 charas shop and 1 combined opium, ganja and bhang shop were newly sanctioned on the recommendations of the Barrackpur Licensing Board. On the recommendation of the Rangpur Licensing Board the abolition of 1 tari shop was sanctioned. On the recommendation of the Chittagong Board 2 country spirit shops and 1 foreign liquor bar license were abolished. They sanctioned one new ganja shop and one new opium shop. The Dacca Board directed the opening of one new ganja shop. The recommendations of the remaining Licensing Boards in the Presidency which first functioned in the year under report were accepted with the results noted below :—

Abolition.—6 country spirit, 1 ganja, 1 tari, 10 pachwai, 2 bhang, 1 charas and 1 foreign liquor "off" shops were abolished.

Change of sites.—The sites of 9 country spirit, 5 tari, 15 pachwai, 4 opium, 6 ganja, 2 combined country spirit and ganja, 1 combined ganja and opium shops were changed.

New Shops.—1 country spirit, 1 bhang, 2 pachwai, 3 opium and 4 ganja, 5 foreign liquor "off" and 2 opium combined with ganja shops were opened during the year.

The Advisory Committee in the district of Darjeeling proposed no change this year.

135. *Any important or new legislation or resolution.*—There was no important or new legislation or resolution during the year.

136. *Temperance movements.*—Temperance organisations in Calcutta, especially, the Calcutta Temperance Federation, continued their activities as before. There was no serious attempt any where else to deal with the problem except by some christian missions and the Hillmen's Association in Darjeeling.

137. *Prosecutions and convictions.*—Including 385 cases pending in 1931-32 11,038 cases were disposed of, of which 10,611 or 96·00 per cent ended in conviction. The total number of persons arrested during the year was 11,782 compared with 9,312 in the preceding year and 3,401 in 1912-13. The number of persons convicted was 10,448 against 8,218 in 1931-32 and 3,016 in 1912-13 (*cf.* Statement IX). 2,729 persons were arrested for "illicit distillation" and 1,843 for "possession or sale of illicit country spirit" as compared with 1,853 and 1,100 respectively in the previous year.

The arrests for "unlicensed sale of duty paid country spirit" decreased from 24 to 19. The prosecutions for "illicit possession of duty paid country spirit" decreased from 26 to 5.

The prosecutions in connection with "tari" offences increased from 1,079 to 1,291. The offence is common amongst the tari drinking classes (especially the up-country people) of the Burdwan and Presidency Divisions. The arrests for "illicit manufacture, sale or possession of pachwai" increased from 3,249 to 3,608. This offence was committed by the aboriginees and semi-aboriginees in the Burdwan Division and in the districts of 24-Parganas Calcutta, Nadia and Dinajpur and by the hill men of Darjeeling. In Jalpaiguri it was checked to a large extent by the administrative measure of issuing home-brew pachwai licenses to the tea garden coolies through the managers of tea gardens at the rate of Re. 1 per license.

138. *Administrative agency.*—The Excise Department in Bengal was reorganised and amalgamated with the Bengal Salt (Preventive) Department in April 1913. The Department is in charge of a Commissioner of Excise and Salt, and the staff includes, 2 Deputy Commissioner of Excise and Salt, one of whom was in charge of Calcutta as Collector of Excise, 21 Superintendents of Excise and Salt, one Excise Prosecutor, 61 Inspectors of Excise and Salt of whom 11 held charge of districts as Inspectors of Excise in charge and 263 Sub-Inspectors of Excise and Salt, besides petty officers and peons. The Superintendents of Excise and Salt and Inspectors of Excise and Salt in charge of districts were directly subordinate to the Collectors of the districts and carried on the Excise administration of the districts under their general supervision.

139. *Average total excise revenue.*—Calculated on the population according to the census figures of 1931, the average total Excise revenue of the Bengal Presidency was 4 annas and 6 pies per head in 1932-33, (of which more than a half was derived from "liquors") as in the previous year. In 1912-13 the proportion of total excise revenue to head of population was 4 annas and 10 pies, of which nearly three-fifths were derived from "liquors".

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CHAPTER V.

BURMA.

140. *Excise Revenue.*—The total Excise revenue for the year 1932-33 was Rs. 84·54 lakhs made up as follows:—

Heads.	Receipts (in lakhs of rupees).	Percentage of total Excise receipts.
1. Country Spirit	5·60	6·6
2. Duty on wines and spirits locally produced and classed as foreign liquor	*2·02*	*2·4*
3. Tari	*10·85*	*12·8*
4. Other native fermented liquors	*24·44*	*28·9*
5. Duty on locally-brewed beer including licence fees for the sale of such liquor exclusively	*1·17*	*1·4*
6. Licence fees for the sale of imported liquors other than beer, medicated wine and commercial spirit and of locally produced spirit excised at the tariff rate	*3·96*	*4·7*
7. Receipts from commercial spirits including denatured spirits and medicated wines	0·12	0·1
8. Opium and its preparations *	34·41	40·7
9. Fines, Confiscations and Miscellaneous	2·02	2·4
10. *Deduct*—Refunds	0·05	0·0
Total	84·54	100·0

During the previous year, the total Excise revenue amounted to Rs. 80·25 lakhs, and the revenue from liquors in 1932-33 represented 56·9 per cent. of the total Excise revenue against 58·4 per cent. in the previous year. In 1912-13, the total Excise revenue was 85·21 lakhs, and the revenue from liquors formed 50·4 per cent. of the total Excise revenue.

This Memorandum is concerned only with the first seven items.

141. *Law regulating liquor traffic.*—The liquor traffic in Burma was regulated by the Burma Excise Act, 1917. In Upper Burma, the sale to Burmans of any intoxicating liquor other than *tari* was prohibited. There was no such restriction in Lower Burma.

Country Spirit.

142. *Meaning of the term "Country Spirit".*—The term "country spirit" in Burma includes spirit manufactured at outstills and plain spirit manufactured at licensed distilleries and intended for issue to a licensed vendor of country spirit. In 1932-33, there were two such distilleries in Burma. Spirit in the form of plain spirit was supplied from these distilleries to areas which had been brought under the distillery system and in the form of "foreign spirit" to those which were outside that system. Issues to the former areas were taxed at rates varying from Rs. 1-4-0 to Rs. 14-1-0, compared with Rs. 2-8-0 to Rs. 7 in 1912-13 per proof gallon and were classed as "country spirit", while those to the latter were taxed at the rate of Rs. 17-8-0 † per

* Excluding sale proceeds of confiscated opium, but including cost price of Excis[e] Opium at Rs. 18-9-0 per seer, which was omitted from the figures for 1912-13.

† For issue to troops and the military police, a special rate varying from Rs. 3-8-3 to Rs. 5-5-0 per proof gallon was fixed for distillery as well as non-distillery areas. These rates were based on the average of the rates in force in distillery areas.

proof gallon, against Rs. 9-6 0 in 1912-13 and were classed as " foreign spirit ". In both cases the spirit was manufactured from jaggery or *tanyet* (unrefined palm sugar).

Spirit manufactured in other parts of India and imported into Burma was taxed at the tariff rate and classed as " foreign spirit ".

143. *Contract Distillery System. Its introduction and gradual extension.*—In 1905, a central distillery minimum guarantee system, on the lines of that formerly in force in Bombay, was introduced as an experimental measure in the Toungoo District and in parts of Mergui, Thaton and Tavoy. Under this system, the three areas first named were supplied with uncoloured rum (classed as foreign spirit) from the distilleries at Toungoo and Moulmein, on payment of duty at Rs. 6 per proof gallon (the then tariff rate), while in the fourth area (Tavoy) the plain spirit produced in new distilleries established at Tavoy was classed as country spirit, and taxed at the rate of Rs. 4 per proof gallon. These arrangements were, however, not considered altogether satisfactory by the Government of India, and from the 1st November 1906, the Tavoy distillery was closed and the minimum guarantee system was replaced by the contract distillery system for the supply of spirit in areas in which the outstill system had formerly been in force.

The contract distillery system is modelled on the system in force in Madras (see paragraph 6) and was introduced in the first instance into parts of the Toungoo, Thaton, Amherst, Tavoy and Mergui districts. It has since been gradually extended into several other districts, and in 1932-33, there were 25 out of 36 districts in the province so served. Of the twenty-one districts in Lower Burma there was only one district in 1932-33 to which the contract distillery system had not yet been extended, while in Upper Burma, owing to the prohibition of the sale of any intoxicating liquor other than *tari* to Burmans under the existing Excise Rules, the contract distillery system has been extended cautiously only to those districts where there was an ascertained demand for distillery spirit for non-Burmans. There were five districts so served in Upper Burma in 1932-33.

144. *Distribution of supply contracts and rates of supply.*—In 1932-33, contracts for the supply of spirit to the twenty-five districts under the contract distillery system were distributed between the two working distilleries of the Province as follows :—

District.	Distillery to which allotted.	Period of Contract.	Rate of supply per proof gallon.
			Rs. A. P.
Toungoo . .	Moulmein Distillery . .	Three years from 1st July 1930 .	1 14 0
Thaton . .	Mandalay Distillery . .	Do. .	2 4 0 2 6 0 and 2 10 0
	(For area of direct supply, Moulmein Distillery) . . .	Do. .	2 4 0
Salween . .	Mandalay Distillery . .	Do. .	2 10 0
Amherst . .	Do. . .	Do. .	2 6 0 and 2 10 0

Distric	Distillery to which allotted.	Period of Contract.	Rate of supply per proof gallon. Rs. A. P.
	(For area of direct supply, Moulmein Distillery) . . .	Three years from 1st July 1930 .	2 4 0
Tavoy . .	Moulmein Distillery . .	Do. .	2 2 0
Mergui . .	Do. . .	Do. .	2 2 0 and 2 8 0
Magwe . .	Mandalay Distillery . .	Three years from 1st July 1931 .	1 10 0
Mandalay . .	Do. . .	Do. .	1 10 0
Myitkyina . .	Do. . .	Do. .	2 8 0
Bhamo . .	Moulmein Distillery . .	Do. .	2 6 0
Katha . . .	Do. . .	Do. .	2 6 0 and 2 14 0
Bassein . .	Mandalay Distillery . .	Do. .	2 0 0
Henzada .			
Maubin .			
Payapon and Myaungmya	Moulmein Distillery . .	Do. .	1 14 0
* Rangoon .			
Insein . .			
Tharrawaddy and † Hanthawaddy	Do. . .	Three years from 1st July 1932 .	2 6 0
‡ Pegu . .	Do. . .	One year from 1st July 1932 .	2 6 0
Prome . .	Mandalay Distillery . .	Three years from 1st July 1932 .	2 8 0
Akyab . .	Moulmein Distillery . .	Three years from 1st July 1930 .	2 8 0
Kyaukpyu . .	Do. . .	Do. .	2 10 0
Sandoway . .	Do. . .	Do. .	2 12 0

145. *Distribution of spirit and its retail sale. Issue strengths and Rates of Duty.*—Twenty-one bonded warehouses of which ten are situated in the Tenasserim Division, three in the Arakan Division, three in the Irrawaddy Division, one in Rangoon Town and four in the Sagaing Division have been constructed for the distribution of spirit. There were 210 shops in 1932-33, the same as in the previous year, for its retail sale. The number of such shops was 98 in 1912-13. The majority of the shops were sold by auction and the others were disposed of by tenders. A fixed issue strength of 40 degrees Under Proof was in force in all the districts in Lower Burma and in the Magwe district in Upper Burma, and the fixed issue strengths of 30 degrees Under Proof and 50 degrees Under Proof were in force in the Mandalay and Sagaing Divisions in 1932-33. As stated in paragraph 142 above, rates of duty were imposed equivalent to rates varying from Rs. 1-4-0 to Rs. 14-1-0 per proof gallon.

146. *Number and character of local distilleries.*—Both the distilleries referred to in paragraph 142 were licensed to work during the year 1932-33, one at

* For Rangoon Town, Insein, Tharrawaddy and Prome Districts, the rate of supply was Rs. 1-12-0 from 1st April 1932 to 30th June 1932.

† Introduced into Hanthawaddy District from 1st July 1932.

‡ For Pegu the rate of supply was Rs. 1-12-0 from 1st April 1932 to 30th June 1932.

Moulmein and the other at Mandalay. A Distillery Officer with a small guard was attached to each distillery and no spirit left the premises except under a pass signed by him. The distiller provided free quarters for this preventive establishment, and paid a fee of Rs. 50 for this licence. He could be called upon to deposit a sum, not exceeding Rs. 1,000 for the due fulfilment by him and his servants and agents of the provisions of the Excise Act and rules thereunder and of the conditions of the licence granted to him.

147. *Licences for the vend of "foreign" spirit produced at local distilleries.*—"Foreign" spirit produced at local distilleries was sold in shops licenced for the sale of foreign liquors generally. Though provision exists for licences for the retail vend of locally manufactured "foreign" spirit exclusively, no such licences were issued. Wholesale licences for the sale of such spirit were issued at a fixed fee of Rs. 100 per annum. In 1932-33, three wholesale and no retail licences were issued for the sale of locally produced "foreign" spirit and the receipts amounted to Rs. 300. In 1912-13 nine wholesale and sixteen retail licences were issued and the receipt therefrom amounted to Rs. 0·23 lakh. Owing to the high rate of duty imposed on imported spirits combined with the economic depression there was a tendency for locally manufactured "foreign" spirit to displace imported foreign spirit, and the duty realised increased from Rs. 1·86 lakhs in 1931-32 to Rs. 2·02 lakhs in 1932-33. In 1912-13 the duty realised was Rs. 1·65 lakhs.

148. *Issues, receipts and average taxation in distillery areas.*—The total issues of spirit from the local distilleries in 1932-33 amounted to 67,876 proof gallons, of which 44,256 gallons were issued on payment of duty at country spirit rates, 7,736 gallons on payment of duty at the foreign spirit rate, 14,087 gallons on payment of the special rates of duty fixed for issues to troops and the military police, and 474 gallons free of duty. One thousand three hundred and twenty-three gallons of rectified spirit also were issued to one firm of manufacturing chemist in Rangoon at a privileged rate of duty of Rs. 5 per London Proof gallon for the manufacture of tinctures and other spirituous medicinal preparations. The total realisations from duty on these issues were Rs. 5·02 lakhs of which Rs. 2·94 lakhs represented duty on issues at "country spirit" rates. In the preceding year the total issues of spirit from the local distilleries were 74,788 proof gallons, against 82,441 proof gallons in 1912-13. The total receipts from duty on these issues were Rs. 5·26 lakhs in 1931-32 and Rs. 4·09 lakhs in the year 1912-13. The licence fees realised in distillery areas in 1932-33 for the sale of spirit excised at "country spirit" rates were Rs. 2·55 lakhs. The average taxation was Rs. 11-3-9 per proof gallon, of which Rs. 7-7-3 was realised from duty and Rs. 3-12-6 from vend fees. The average taxation per proof gallon in distillery areas during the previous year amounted to Rs. 7-1-8 (duty) and Rs. 4-0-6 (vend fees) or Rs. 11-2-2 in all, compared with Rs. 4-4-0 (duty) and Rs. 1-14-8 (vend fees) during the year 1912-13.

The average consumption of country spirit per 100 of the population in 1912-13, 1931-32 and 1932-33 was 0·47, 0·35 and 0·31 proof gallon respectively. *See* Statement I.

Outstill Spirit.

149. The manufacture and sale of spirit under the outstill system were permitted only in remote places where there was an ascertained demand for such liquor, and where the shops could be constantly supervised by a magistrate or by an officer in charge of a police station or of a police outpost. The capacity of each still, and the number of days in a week or month during which

distillation was allowed, were fixed by the Collector or other officer disposing of the licence. Spirit was distilled from cane-sugar, jaggery and *tanyet* (unrefined palm sugar) or rice. The privilege of manufacture and sale during 1932-33 was sold by auction.

150. *Number of outstills and shops and receipts therefrom.*—The number of outstill licences remained the same, *viz.*, 4 as in the previous year, there being two stills in Salween District, one in Amherst District in the Tenasserim Division and one in Insein District in the Pegu Division. The existing shops are estimated to serve a population of 50,866 persons over an area of 1,408·57 square miles. Each licence for the distillation of outstill spirit carried with it the privilege of retail sale of such spirit at the actual place of distillation. In 1912-13, there were twenty-three outstills at work in Burma, ten in the Arakan Division, three in the Pegu Division, nine in the Tenasserim Division and one in the Mandalay Division. For the percentage of area under and population served by the outstill system during the years 1912-13, 1931-32 and 1932-33 please see Statement V. The hill tribes residing in certain areas of the Tenasserim Division were exempt from some of the provisions of the law relating to country spirit. The receipts from outstills in the year 1932-33 amounted to Rs. 0·11 lakh, against Rs. 0·06 lakh in 1931-32 and Rs. 0·60 lakh in the year 1912-13.

Tari.

151. Licences for the retail vend of fermented *tari* are, as a rule, sold annually by auction; but they can also be sold for a term of years not exceeding five. The number of shops licenced in 1932-33 was 494 and the fees realised therefrom amounted to Rs. 10·85 lakhs. In 1931-32 the number of shops licenced for the retail vend of fermented tari was 940, against 712 in 1912-13, and the fees thereform amounted to Rs. 10·02 lakhs against Rs. 7·21 lakhs in 1912-13.

Indian Fermented Liquor other than Tari.

152. Under this description are included *Hlawza*, *Khaung*, *Kazawye*, *Seinye*, *U-ye*, and *Pé-ye*. These are manufactured from rice, fermentation being procured by the use of yeast, or other ferment.

The hill tribes within the Salween District and the Hill District of Arakan and Chins Karens and Kachins inhabiting certain tracts were exempt from the provisions of the Excise Act relating to the manufacture of country fermented liquor. These people habitually manufacture such liquor from rice for domestic purposes on festive occasions, and the liquor is not generally sold to outsiders. Elsewhere, except in Rangoon Town, and parts of Insein and Hanthawaddy Districts, vend licences were disposed of by auction. The licences included the right of manufacture as well as that of sale at the place of manufacture. In Rangoon Town and in parts of Insein and Hanthawaddy Districts, a duty was imposed on the materials used in manufacture, at the rate of Rs. 4 per ten-gallon jar set up for fermentation. The licences were disposed of by calling for tenders. The duty realised in 1932-33 was Rs. 2·50 lakhs.

The number of licences issued in 1932-33 was 326 against 327 in the preceding year and 386 in the year 1912-13 and the total revenue including duty realised therefrom amounted to Rs. 24·44 lakhs against Rs. 23·43 lakhs in 1931-32 and Rs. 19·28 lakhs in the year 1912-13.

Locally Manufactured Malt Liquor.

153. Licences to construct, work and possess a brewery after the English method were granted with the sanction of the Local Government. There was only one such brewery in Burma in 1932-33, that of Messrs. Dyer Meakin and Company, at Mandalay. A fee of Rs. 100 was charged for the brewery licence and an additional fee of Rs. 100 for the right of wholesale vend to shopkeepers. A duty of Re.-0-8-0 per gallon was charged on the liquor manufactured in the brewery, on a calculation of 54 gallons per hogshead. The quantity of beer issued in 1932-33 amounted to 1,85,701 gallons, against 1,50,011 gallons in the preceding year and 2,41,449 gallons in the year 1912-13 and the duty realised during these years was Re. 0·91 lakh, Re. 0·75 lakh and Re. 0·45 lakh, respectively.

154. *Vend.*—Retail licences for the sale of locally manufactured malt liquor exclusively were granted, either by auction or at fees fixed by the Excise Commissioner. Such liquor could also be sold under general foreign liquor licences. Wholesale licences for the sale of malt liquor like those for similar sale of locally-distilled spirit, were issued at a fixed fee of Rs. 100 per annum. Thirty-five retail and two wholesale licences were issued in 1932-33 and the fees realised therefrom amounted to Re. 0·23 lakh. In 1931-32, thirty-five retail and two wholesale licences were issued and the fees amounted to Re. 0·22 lakh. In 1912-13, 24 retail and 9 wholesale licences were issued and the fees realised amounted to Re. 0·21 lakh.

Imported Liquors.

155. The Excise revenue on these was derived, as elsewhere, only from fees for the right of vend. Licences of the following kinds for the sale of imported liquors were granted on payment of the fixed fees specified against each :—

	Lower Burma. Rs. per annum.	Upper Burma. Rs. per annum.
1. Wholesale licence	750*	250
2. General shopkeeper's licence for consumption off the premises	1,000†	500
3. Hotel licence	10(‡	100
4. Bar and Refreshment Room licence	500§	500
5. Proprietary Club licence	250	250
6. Railway Refreshment Room licence	100	100
7. Steamer licence—		
(*a*) Inland	50	50
(*b*) Interport		
8. Dining Car licence	Rs. 25 to Rs. 100 as was fixed by the Commissioner o the Division in each case.	

* In Rangoon, Rs. 1,000 was fixed.

† In Rangoon, Rs. 4,000 ; in Mandalay Rs. 1,000 ; and in Yenangyaung and Cha Rs. 4,000 were fixed.

‡ In Rangoon, Rs. 500 was fixed.

§ In Rangoon, Rs. 1,500 was fixed.

Retail licences for the general sale of both imported and locally produced spirit and fermented liquors were sold by auction in 1932-33. In that year 35 wholesale and 173 retail licences were issued for the sale of such liquors. In the year 1912-13, the corresponding figures were 51 and 173 and, in 1931-32, 35 and 179 respectively.

The licence fees realised for the sale of foreign liquors of all kinds amounted to Rs. 3·96 lakhs in the year under report compared with Rs. 4·17 lakhs in the preceding year and Rs. 9·77 lakhs in the year 1912-13.

Denatured Spirit.

156. Licences for the vend of denatured spirit increased from 279 in 1931-32 to 282 in 1932-33. There were 89 such licences in the year 1912-13. During 1932-33, 85,499 gallons were imported or denatured in bond after importation as against 77,315 gallons in 1931-32. During the year no instance of the use of methylated spirit for human consumption was brought to notice. There were no issues of denatured spirit from Burma distilleries. Licence fees were Rs. 25 in Rangoon, Rs. 5 in the rest of Lower Burma, and in Mandalay Town and Yenangyaung, and Re. 1 elsewhere and the revenue derived therefrom in 1932-33 was Rs. 2,131.

Rectified Spirit and Medicated Wines.

157. The number of licences issued for the vend of rectified spirits and medicated wines was 104 in 1932-33 against 108 in 1931-32. Licences were issued, in a few cases, to general dealers who were not pharmacists, the previous restrictions confining sales to pharmacists having been removed by Excise Department Notification No. 94, dated the 18th August 1924.

The Mandalay Distillery supplied 369 London Proof gallons of rectified spirit, duty free, to the Officer-in-Charge of the Army Medical Stores Depot, and 48 London Proof gallons to scientific and other institutions, whereas the Moulmein Distillery issued only 57 London Proof gallons of rectified spirit, duty free, to scientific and other institutions.

Imports of commercial spirits from other Provinces amounted to 17 London Proof gallons, on which a duty of Rs. 297 was realised and credited to Excise revenue in 1932-33. Licence fees from rectified spirits and medicated wines increased from Rs. 3,106 in 1931-32 to Rs. 3,176 in 1932-33.

General.

158. It is provided in the Excise Act that in prosecutions under certain sections it may be presumed, until the contrary is proved, that the accused person has committed an offence under the section under which he is charged in respect of—

(*a*) any excisable article or any apparatus for administering any intoxicating drug or for the manufacture of any excisable article; or

(*b*) any materials which have undergone any process towards the manufacture of an excisable article, or from which an excisable article has been manufactured; for the possession of which he is unable to account satisfactorily.

Under section 16(1) of the Act, the Local Government may by notification prescribe a limit of quantity for possession of any excisable article. Further, no person shall have in his possession any quantity of any excisable

article in excess of the limit prescribed under sub-section (1), except under the authority and in accordance with the terms and conditions of—

(*a*) a licence for the manufacture, cultivation, collection, sale or supply of such article; or

(*b*) a permit granted by the Collector in that behalf.

In exercise of powers conferred by this section, the Local Government by Notification No. 77, dated the 18th September 1917 has prescribed the quantity entered in column 2 of the following table against each excisable article entered in column 1 as the limit, in excess of which no person shall possess such excisable article, save as provided by sub-section (2) of section 16 :—

(1)	(2)
(1) Country alcoholic liquor other than spirit and tari.	Four reputed quart bottles.
(2) Spirit included within the definition of country alcoholic liquor.	One reputed quart bottle.
(3) Foreign alcoholic liquor . . .	Two imperial gallons or 12 reputed quart bottles.

In Prome and Tharrawaddy Districts, the limit of possession for country fermented liquor other than *tari* was one reputed quart bottle, and in Thayetmyo and Rangoon it was two reputed quarts. In Thayetmyo District and in some parts of the Sandoway District the limit of possession for *tari* has also been fixed at two reputed quarts. But under section 17 of the Act no person could have in his possession any quantity of any excisable article knowing the same to have been unlawfully imported, transported, manufactured, cultivated or collected, or knowing the prescribed duty not to have been paid thereon. If, therefore, any person had in his possession even less than the quantity allowed by the notification referred to, or any excisable article which he knew to have been unlawfully imported, transported, manufactured, cultivated or collected, or not to have had the prescribed duty paid thereon, he committed or abetted the commission of an offence punishable under either section 30 or section 37 of the Act, and under section 44, the burden of proof was imposed on him of accounting satisfactorily for his possession of any quantity of such excisable article.

159. *Changes introduced or under consideration, and important debates in the Legislative Council on Excise matters.*—(1) The Excise Rules relating to the Local Advisory Committees were revised during the year 1925-26 so as to provide that recommendations of Committees regarding the maximum and minimum number of licences shall not be overruled without reference to the Local Government.

(2) The rate of Excise duty on foreign liquor manufactured in or imported into Burma was reduced to Rs. 17-8-0 per London Proof gallon with effect from 1st May 1926 in order to enable such spirit to compete with cheap foreign liquors such as Java rum and French brandy.

(3) On the 6th August 1929 a resolution was moved in the Burma Legislative Council to form a Provincial Excise Board to regulate the sale of liquor opium and any other deleterious drugs and to fix the number and location of shops. After a long discussion the motion was put to the house and lost, 40 voting for it and 48 against it.

(4) On the 10th December 1929, another resolution was moved for the prohibition of intoxicating drinks in Kyaukse District. After discussion the motion was put to the house and lost, 38 voting for it and 41 against it.

No important debates took place in the Legislative Council in 1932-33.

160. *Convictions and offences in connection with alcoholic liquor and important seizures.*—In 1932-33, the number of persons arrested for offences in connection with alcoholic liquor rose slightly from 8,391 to 8,481 and of those convicted from 6,481 to 6,876 and the percentage of convictions to arrests also rose by 4 per cent. to 81. In 1912-13, the total arrests for all offences (against Excise and Opium laws) and the number of convictions amounted to 10,916 and 8,866 respectively. The percentage of convictions to arrests during 1912-13 was 81. There was increased activity in 21 districts. The biggest individual seizure was reported from Pegu, *viz.*, 3,488 quarts of *seinye*, 157 quarts of country spirit and 13 complete stills. Convictions for drunkenness in urban areas fell by 120 to 860 during the year of report. In Rangoon Town the number of convictions for drunkenness rose by 25 to 194 and, in Mandalay Town by 5 to 74.

The total seizures of all kinds of illicit liquor in the Province in 1932-33 amounted to 51,057 gallons compared with 53,677 gallons in 1931-32. In Rangoon Town alone, the total seizures were 11,876 gallons in 1932-33 against 18,556 in 1931-32 and the number of convictions fell slightly from 494 to 472.

Location of shops.

161. The position of each town or village shop was determined by the local officers and was fixed, as far as possible, at the time of the sale of the licences. In non-Municipal areas, a notice inviting objections to a new shop had to be published before the shop was established, and any objections received were, if not accepted, referred to the Divisional Commissioner. In Burma, all Municipal and Town Committees were constituted Excise Advisory Committees, and such Committees examined proposals, on which orders were passed by the Excise Commissioner as to the maximum and minimum number of licences to be issued within the municipality. If the Excise Commissioner was not prepared to accept the recommendations of the Committee, the matter had to be referred to the Local Government for orders. These Committees also examined the location of existing and proposed shops.

Achievements of Excise Advisory Committees and the Temperance Movements.

162. The three years' programmes for the maximum and minimum number of licences of each kind to be issued within Municipalities and Towns were sanctioned for three years beginning with 1931-32. The Municipal and Town Committees for urban areas and village elders for rural areas were consulted, as usual, regarding the location of existing and proposed shops. In 1932-33, there were only 14 new shops opened and some of these were not in urban areas so that occasions to consult Excise Advisory Committees with regard to them were rare. Although the advice of Advisory Committees is not always taken, it is always treated seriously. There is no real justification therefore for the attitude adopted by some Committees which have for several years past declined to tender advice.

Administrative Agency.

163. The Excise Revenue was formerly under the direct control of the Financial Commissioner, but the appointment of a Commissioner of Excise was sanctioned in 1905-06. The Financial Commissioner's connection with

the Excise Administration ceased with effect from the 1st May 1927, in consequence of the coming into force of Burma Act I of 1927, and the Excise Commissioner is now directly under the Ministry of Forests. The local administration rested with the District Officers, under the supervision of Divisional Commissioners, and in most districts there was an officer subordinate to the Deputy Commissioner in special charge of Excise matters who was designated Superintendent of Excise. In addition to the distillery establishments and Resident Excise Officers in charge of the Government opium shops, there was a large special preventive staff employed mainly for the purpose of dealing with smuggling and other illicit practices in connection with opium, etc. To supervise this staff there was a central controlling officer, who was designated Chief Superintendent of Excise.

Incidence of Excise Revenue per head.

164. Calculated on the census returns of 1931, the average total excise revenue per head of the population in 1932-33 was Re. 0-10-5, of which nearly 56·9 per cent. was derived from liquors. The incidence of total excise revenue per head of the population during the preceding year amounted to Re. 0-9-9, against Re. 0-13-3 in 1912-13. In 1912-13, the receipts from liquor represented about 50 per cent. of the total excise revenue.

CHAPTER VI.

BIHAR AND ORISSA.

165. *Excise revenue.*—The gross excise revenue for 1932-33 was Rs. 121·81 lakhs, and was realised under the following main heads :—

Heads.	Revenue (in lakhs of rupees).	Percentage of total Excise revenue.
1. Country spirit	42·80	35·1
2. Country fermented liquors (*tari* and pachwai)	25·54	21·0
3. Foreign liquor	1·23	1·0
4. Opium and its preparations . . .	25·46	20·9
5. Hemp drugs	26·18	21·5
6. Miscellaneous	·60	·5
Total . .	1,21·81	100·0

In 1931-32 the gross Excise revenue amounted to Rs. 122·35 lakhs and the receipts from liquors bore a percentage of 57·6 to it. In 1912-13 the gross Excise revenue was Rs. 104·01 lakhs, and the revenue from liquors represented about 66 per cent. of this revenue.

In 1931-32 the revenue from country spirit and its percentage to the total Excise revenue were Rs. 44·71 lakhs and 36·6 respectively, against Rs. 54·07 lakhs and 52·0 respectively, in 1912-13.

This memorandum is concerned only with the first three items of the table above.

166. *Law regulating liquor traffic.*—The liquor traffic in Bihar and Orissa was regulated by the Bihar and Orissa Excise Act, II of 1915, and the Bihar and Orissa Excise Amending Act of 1928.

Country spirit.

167. *Definition of country spirit.*—In Bihar and Orissa the expression 'country spirit' meant plain spirit which had been made in British India from materials locally recognised as bases for country spirit, namely mahua, rice, gur or molasses, and on which duty had not been imposed at the rate fixed for the importation of spirit into British India.

168. *System under which country spirit revenue was realized.*—The manufacture and sale of country spirit were carried on under two systems, namely, the outstill system and the contract supply system. The revenue contributed by such systems in the years 1912-13, 1931-32 and 1932-33 is shown below :—

	(In lakhs of rupees.)		
	1912-13.	1931-32.	1932-33.
From outstills	16·11	1·23	5·14
Under contract supply system .	37·96	43·48	37·66

169. *Description and extent of the outstill system.*—Under the outstill system ingle licence covers the manufacture (by primitive Indian methods) and sale

of country spirit, the produce of a single still, at a fixed place. The localities where such manufacture and sale can be allowed are determined beforehand. Under Section II of the Bihar and Orissa Act, II of 1915, the transport of outstill liquor into areas where distillery liquor is sold, is prohibited, and any attempt to bring outstill liquor into these areas is punishable under Section 47 of the Act. No outstill is allowed within five miles of a distillery area.

The right of working the still and selling its outturn (the 'license') was auctioned in 1932-33 by the Collector, subject to a reserved fee calculated on the estimated local demand on and outturn of, the shop and on the license fees of the preceding year. The Collector could, however, in order to prevent monopoly or combination or for other sufficient cause, refuse to accept the highest or any other bid. No attempt was made under the outstill system to supervise the processes of distillation or to control sale prices, or to regulate taxation on liquor according to its strength or the quantity consumed, except in a very indirect manner. The capacity of the still to be worked in any outstill was defined in the license for that outstill, and this served to fix to some extent a maximum quantity to be manufactured. An increase in the still capacity could be sanctioned for adequate reasons by the Collector. The license did not confer a monopoly of sale over any definite area; but that result was practically attained by the fact that shops were licensed at suitable distances from one another the general rule being that no two outstills should be within five miles of each other.

This system was found necessary in thinly populated, jungly, or comparatively inaccessible tracts, which could not be supplied properly by distilleries or warehouses under the contract system, and in these parts of the country where special facilities existed for illicit distillation from mahua (*Bassia latifolia*) or for smuggling cheap liquor from foreign territory. In 1912-13 the areas under the outstill system were Palamau and Singhbhum and the major portions of Hazaribagh and Ranchi in the Chota Nagpur division, Angul and part of Sambalpur in the Orissa division, the Rohtas plateau (with a small tract adjoining it) in the Shahabad district of the Patna division, and the district of Champaran (except a small area in the Bettiah sub-division) and the Sitamarhi sub-division of Muzaffarpur in the Tirhut division.

The areas remaining under the outstill system in 1932-33 were the whole of the Angul district and in small areas in Shahabad, Champaran and Cuttack and in large areas in the districts of Gaya, Monghyr, Bhagalpur, the Santhal Parganas, Sambalpur, Hazaribagh, Ranchi, Palamau, Manbhum and Singhbhum. For the area under the population served by and the revenue realized from the outstill system during the years 1912-13, 1931-32 and 1932-33 *see* Statements V and VII.

170. *Contract supply system.*—In the rest of the province, except the Khondmals sub-division of the Angul district and the greater portions of the Kolhan estate in the Singhbhum district where no country spirit was allowed to be manufactured, the contract supply system was in force. Under this system the monopoly of the supply of country spirit within a specified area or areas is granted under a contract, the contractor supplying the spirit, from specified places at prescribed rates of Excise duty and wholesale prices, to licensed retail vendors only. The monopolies of supply are granted and the wholesale price (usually described as 'cost price') are fixed, after examination of tenders invited for the purpose, usually every 3 years.

171. *Manufacture and supply of country spirit under the above system.*—The manufacture of spirit in contract supply areas was carried on in private distilleries which could be situated either within or outside the province.

Every distillery in the province was under the supervision of an Excise officer with a small establishment as guard. With effect from the 1st April 1916, the distillers had been exempted from paying the costs of establishments maintained at the distilleries while on the other hand, they had to pay rent instead of only charges for repairs for buildings owned by the Government. They were also required to provide residential quarters for the distillery and the warehouse staff.

There were five distilleries at work in 1932-33, all owned and worked be private licensees. In 1912-13, there were 11 distilleries at work, four owned by private persons and seven in Government premises. In 1932-33 spirit manufactured at the five distilleries, was wholly consumed within the province.

Spirit manufactured at the distilleries was conveyed to and stored in warehouses, built either by Government or by the distilling contractors, and situated at suitable places within the supply areas; warehouses were also attached to two distilleries. The spirit was conveyed under bond, and duty was levied on it only when it left the warehouse on the requisition of a retail vendor. Each warehouse was in charge of a Government officer, who supervised all operations in the warehouse.

The number of bonded warehouses in the province in 1932-33 was 95, all of which were fed by the distilleries in Bihar and Orissa mentioned above. These warehouses were covered by 27 wholesale licences for the sale of country spirit, shown in column 6 of Imperial Table No. III in the Provincial Excise Administration Report for 1932-33. The licenses in question were held by the distillers in all cases. In 1912-13, there were 85 bonded warehouses in the province, out of which 26 were fed by a distillery situated outside the province. These 85 warehouses were covered by 26 wholesale licenses for the sale of country spirit to retail vendors.

Within the contract area the strengths at which country spirit could be sold retail were fixed; maximum prices above which spirit could not be sold were also prescribed, except for the areas where the retail prices were fixed under the sliding scale system. Dilution in shops was prohibited, except when specially permitted by the Commissioner of Excise; such permission was granted only for the reduction of particular strengths to specified weaker strengths. Contractors for wholesale supply were not allowed to hold any retail country spirit shops within the areas of their contracts or within seven miles thereof.

172. *Strengths of issue and rates of duty in force.*—The standard strengths at which spirit was issued from distilleries and warehouses, and at which it could be sold by retail vendors to the public, ranged in 1932-33 from 25° to 85° under proof. In 1912-13, the standard strength at which spirit could be retailed ranged from 25° to 85° H. P. Calculated in terms of proof, the duty varied from Rs. 1-1-3 to Rs. 12-4-0 per gallon in 1932-33 and Rs. 1-9-0 to Rs. 3-2-0 per gallon (except in a small area where it was Rs. 3-12-0 per L. P. gallon) in the year 1912-13.

173. *Retail vend arrangements.*—The distillery liquor shops which were settled under the sliding scale system during the previous year were at first settled under the same system for the year 1932-33. But as there were various indications that the economic depression had shown the sliding scale system to be failure, the shops in the districts of Patna, Purnea and Ranchi were subsequently settled for the year as an experimental measure under the auction system with effect from the 1st July 1932. The auction system as further introduced with effect from the 1st October 1932 in the country spirit shops in

the remaining districts of the province excepting the country spirit shops in Manbhum and Sambalpur and 8 shops in Singhbhum. The retail vendors were bound to procure their spirit from a warehouse maintained by the wholesale contractor for the area. Issues to retail vendors in quantities of less than a gallon at a time were not permitted. The number of shops licensed to sell by retail country spirit in distillery areas was 1,316 in 1932-33 against 1,486 in 1931-32 and 1,512 in 1912-13. For the number of licenses for retail sale of country spirit in contract and outstill areas, see Statement III.

174. *Consumption and average taxation.*—The country spirit revenue for 1932-33 in distillery areas was Rs. 37·66 lakhs, of which Rs. 21·53 lakhs were contributed by duty, and Rs. 16·13 lakhs by vend fees. In 1931-32 the total revenue from country spirit in distillery areas amounted to Rs. 43·48 lakhs against Rs. 37·96 lakhs in 1912-13. The consumption of distillery liquor during the year under review amounted to 455,763 proof gallons against 557,524 proof gallons in the preceding year and 1,157,636 proof gallons in 1912-13. The average consumption of country spirit per 100 of the population in 1932-33 in the province as a whole was 1·32 proof gallons, against 1·51 proof gallons in 1931-32 and 3·36 proof gallons in 1912-13. The average taxation per proof gallon in 1932-33 was Rs. 8-4-2 (of which Rs. 4-11-6 were derived from duty and Rs. 3-8-8 from vend fees) compared with Rs. 7-12-7 (Rs. 4-15-1 from duty and Rs. 2-12-9 from vend fees) in 1931-32 and Rs. 3-4-6 (Rs. 1-15-0 from duty and Rs. 1-4-10 from vend fees) in 1912-13.

Country fermented liquors.

175. *Tari.*—Tari is the sap of the palm tree, and is used either freshly drawn from the tree or after fermentation. Palmyra and date are principal varieties of the palm from which tari is drawn. Licenses to sell fresh tari were issued in 1932-33 on payment of a fixed fee not exceeding Rs. 5 per license, for the season. The revenue from fermented tari was derived from shop licenses and from tree tax. In 1932-33 the tree tax system was tried in the whole of the districts of Patna, Muzaffarpur and Darbhanga and in portions of the districts of Gaya, Shahabad, Saran, Champaran, Monghyr and Bhagalpur. This system consisted of the levy of a tax on each tree tapped in addition to vend license fees for each shop which were imposed to place the different shops on an equal footing and which in a few cases were settled by auction. The tree tax was raised from Rs. 2-8-0 per palmyra tree and Rs. 1-4-0 per date tree in 1928-29 to Rs. 3 per palmyra and Rs. 1-8-0 per date tree in 1929-30. Of the total revenue of Rs. 21,67,187 derived from tari in 1932-33 a sum of Rs. 25 only was derived from fresh tari, Rs. 11,33,050 from tree tax and Rs. 1,832 from rent of tari trees, either owned by the Government or over which the Government had the right of taxation ; the balance was realized from licenses for the sale of fermented tari. In 1931-32 the total revenue derived from tari amounted to Rs. 21·60 lakhs, against Rs. 12·66 lakhs in the year 1912-13.

176. *Pachwai.*—Pachwai otherwise called 'handia' is a fermented liquor brewed generally from rice, mahua or other grain. It is drunk chiefly by aboriginal tribes ; and is valued both as a stimulant and as a food. It is a favourite drink in the Chota Nagpur division and the Santhal Parganas and with aboriginal tribes in parts of Champaran, Bhagalpur, Purnea, Sambalpur and Balasore.

The bulk (Rs. 3·83 lakhs out of Rs. 3·87) of the revenue under this head was derived from licenses for manufacture and retail sale, which were disposed of by auction, the number and sites of the shops being previously fixed. In 1932-33 retail shops were confined to the districts of the Santhal Parganas,

Balasore, Sambalpur, Ranchi, Hazaribagh, Manbhum and Singhbhum, and their number was 385 against 361 in the preceding year and 355 in 1912-13. These licenses did not include home-brewing licenses.

177. *Special concessions in backward area.*—Free home-brewing of pachwai for home consumption was permitted at all seasons of the year and without any restriction of quantity in the Santhal Parganas and to aboriginal tribes only in the districts of Hazaribagh, Ranchi (except the municipal limits of Ranchi and Lohardaga and the Notified Area of Doranda and the Union Board areas of Bundu and Gumla), Palamau, Manbhum (except in five thanas in Dhanbad sub-division) and Singhbhum (except the Jamshedpur Area) and also in the Banka sub-division of the Bhagalpur district. Home-brewing for domestic consumption without license was prohibited in the remaining districts of the province.

In the districts of Champaran, Bhagalpur, Purnea and Balasore, the home-brewing of pachwai for domestic consumption only was allowed under cover of annual licenses granted to house-holders and subject to maximum limits of possession; the limits were in Champaran, Bhagalpur and Purnea 4 seers undiluted or 12 seers diluted. In Champaran home-brewing without limit for domestic consumption only was allowed under license granted to a village. The Collectors of Bhagalpur and Purnea were authorized to allow license holders to brew without limit during certain days to be prescribed by the Collectors in areas in which they were satisfied that it was required on account of the Bandhana festival.

178. *Special occasions' licenses.*—Special licenses could also be issued to any person on payment of a fee of annas 8 on occasions such as marriages, festivals, etc., for the manufacture of pachwai for domestic consumption up to such limit as the officers granting the license considered reasonable. No limit was fixed in the district of Champaran. The officers empowered to grant such licenses were the Collector, Excise Superintendent, Sub-Divisional Officer or other officer empowered by the Collector. The license conferred no right to sell or barter any portion of the liquor covered by it.

The officers mentioned above could also, on special occasions, grant temporary permits for the possession of more than 4 seers of diluted pachwai (more than 8 seers of undiluted or half a maund of diluted pachwai in the district of Sambalpur) up to such limit as they considered reasonable, to be purchased from a licensed vendor. These permits, however, conferred no right to sell or barter any portion of the liquor covered by them.

Foreign liquors.

179. *Definition of 'foreign liquor'.*—The expression 'foreign liquor' has been defined to include imported liquors of all sorts, beer and other liquors manufactured in India which are sophisticated or compounded so as to resemble in colour or flavour whisky, brandy, gin or rum, or are made from special bases (such as malt or toddy) which are not recognised as bases for the manufacture of country spirit (*vide* paragraph 167 above) or are taxed at the tariff rate; also denatured and perfumed spirits used in drugs, medicines or chemicals.

180. *Classification of revenue.*—The revenue from imported liquors consisted of the duty levied under the Indian tariff Act, 1894, as subsequently amended and fees paid for the right of vend. The former was credited to Customs revenue, and the latter to Excise. The duty on locally manufactured

foreign liquors' was also credited to Excise; but no such liquor was manufactured in the province during 1932-33. (The Indian-made foreign liquor was imported into this province from the distilleries and wholesale vendors of Bengal, from the United Provinces, distilleries and bonded warehouses, and from the Punjab breweries). The total amount of revenue realized in 1932-33 from foreign liquor of all sorts was Rs. 1·23 lakhs, compared with Re. 0·97 lakh in the preceding year and Re. 0·33 lakh in the year 1912-13.

181. *Vend arrangements.*—Licenses for the sale of foreign liquors were chiefly of three kinds, *viz.*, (1) wholesale, (2) retail 'off' (*i.e.*, permitting sale for consumption off the premises only and in quantities of not less than one pint bottle) and (3) retail 'on and off'. Apart from these there were also various special licenses for the sale of such liquors, *e.g.*, 'steamer', 'dining car', 'railway refreshment room', 'dak bungalow', 'hotel', 'restaurant' or 'bar', 'late closing', denatured and rectified spirits' and 'medicated wines' licenses. The total number of licenses for retail sale of potable foreign liquors (imported) during the year under review was 193 against 174 in the preceding year and 125 in the year 1912-13. For the quantities of liquor sold under these licenses, *see* Statement II.

The fee for a wholesale license was fixed by the Excise Commissioner, subject to a minimum of Rs. 24 per annum. Retail 'off' licenses were granted on payment of fees fixed with reference to past transactions. The number of retail 'on and off' licenses, which were ordinarily settled by auction, was kept within the narrowest possible limits and the licenses were granted only in localities where there was a considerable population accustomed to foreign liquor. The special licenses referred to above were granted on payment of fixed fees determined by the Board of Revenue or the Excise Commissioner. In the case of hotel and restaurant licenses a minimum fee of Rs. 100 per annum was prescribed.

The sale of whisky, brandy and rum by foreign liquor licensees at a strength lower than 25° under proof and of gin at a strength lower than 35° under proof was prohibited.

No compounding or blending of foreign liquors was permitted except on premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed wholesale vendors of foreign liquors on payment of a fee of Rs. 300 per annum. The bottling of liquors by wholesale licensees was also permitted under cover of a special license, for which a separate fee of Rs. 12 per annum was charged.

Premises for the sale of 'foreign liquor' were required to be kept entirely separate from shops for the sale of country liquor, and the grant of foreign liquor licenses to country spirit vendors was, as far as possible, avoided.

182. *Country rum and beer, and other potable foreign liquors made in India.*—There were no breweries in the province, nor were foreign liquors manufactured in any of the distilleries. No special licenses were issued for the retail sale of country rum, country beer or other potable foreign liquors manufactured in India, which are generally sold along with other imported liquors.

183. *Denatured spirit.*—The limit of retail sale of denatured spirit and its ordinary possession by private individuals was fixed at one Imperial gallon, and passes were required for its import, export and transport in excess of that quantity. Possession in excess of the same quantity was allowed only to persons specially licensed to sell such spirit or to use it for business purposes

A retail licensee was not allowed to possess such spirit in quantities exceeding 60 gallons at a time, while persons using it for industrial purposes were allowed to possess it only up to such quantities as were specified by the Collector in such cases. The fees payable for wholesale and retail vend licenses and for the possession of denatured spirit in excess of the limit of retail sale were Rs. 50, Rs. 5 and Rs. 2 per annum, respectively.

Three licenses for the manufacture of denatured spirit were granted to proprietors of three private distilleries at Mankatha, Marhourah and Ranchi during the year. There was a stock of 2,053 bulk gallons of denatured spirit out of the quantity manufactured in the preceding year in the beginning of the year under report. 48,705 gallons were manufactured, 42,632 gallons were issued during the year. This quantity of denatured spirit issued represented but a small proportion of the total quantity used in the province; many of the licensees obtaining their supplies from Calcutta and Asansol. The total quantity of denatured spirit sold was 26,587 gallons, against 24,579 gallons in 1931-32 and 968 gallons in 1912-13. The use of denatured spirit steadily increased. Its use as an intoxicant was not suspected in any district. 379 licenses for retail sale of denatured spirit and 57 for its possession in excess of the ordinary limit were issued in 1932-33, against 351 and 54 respectively, in 1931-32, and 59 and 7 respectively in 1912-13. The revenue from license fees amounted to Rs. 1,890, against Rs. 2,017 in the preceding year and Rs. 399 in the year 1912-13. The ordinary denaturants prescribed by the rules were a mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of ½ per cent. of each; but in the case of denatured spirit required for use in industries for which the above denaturants were not suitable, other special ingredients could be used with the sanction of the Board of Revenue in each case and subject to suitable excise restrictions.

184. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured, was not subject to any restrictions relating to possession and sale. But the manufacture of such spirit required a license, which was granted free of charge. No such license was issued during 1932-33.

185. *Rectified spirit.*—Rectified spirit could be sold wholesale by holders of wholesale foreign liquor licenses without any separate license. Holders of retail foreign liquor licenses were, however, prohibited from selling such spirit under these licenses. No license for the manufacture of rectified spirit was issued in the province during the year. Licensed chemists or druggists could sell rectified spirit in retail quantities for medicinal, industrial and scientific purposes only. The fee for such a license was reduced to Re. 1 in case of sale up to 4 gallons and Rs. 10 for sale above this quantity.

186. *Medicated wines.*—Medicated wines and similar preparations containing alcohol equivalent to 20 per cent. but not more than 42 per cent. of proof spirit were sold either by (*a*) holders of licenses for the sale of foreign liquor or (*b*) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries and medical practitioners and other persons who had been specially approved by the Collector and held a special license in that behalf. The fees for such a special license was Rs. 50 per annum. Medicinal preparations containing alcohol equivalent to more than 42 per cent. of proof spirit could be sold only by foreign liquor licensees. Preparations containing alcohol equivalent to less than 20 per cent. of proof spirit were exempt from excise restrictions.

187. *Administrative changes.*—The principal administrative changes during the year were :—

(*a*) Conversion of several distillery liquor shops into and opening of outstill shops in the hilly, jungly and inaccessible portions in the district of Ranchi with effect from the 1st July 1932, and in the districts of Gaya, Shahabad, Champaran, Monghyr, Bhagalpur, Santhal Parganas, Cuttack, Sambalpur, Hazaribagh, Palamau, Manbhum and Singhbhum with effect from the 1st October 1932.

(*b*) Enhancement of the rates of duty and of retail prices of 50° U. P. strength of country spirit in the district of Singhbhum from the 1st April 1932.

(*c*) Reduction in the rates of duty on country spirit in the districts of Patna, Purnea and Ranchi with effect from the 1st July 1932, and in the rest of the districts of the province excepting Sambalpur, Manbhum and Singhbhum with effect from the 1st October 1932.

(*d*) Abolition of 80° U. P. issue strength of country spirit in the district of the Santhal Parganas with effect from the 1st October 1932.

(*e*) Prescription of 70° U. P. as an issue strength in the district of Ranchi from the 1st July 1932 in the Bermo colliery area (Hazaribagh) from the 1st June 1932, and in Jamshedpur (Singhbhum) from the 1st December 1932.

(*f*) Increase in the limit of retail sale and extension of hours of manufacture and sale of outstill liquor as a temporary measure.

(*g*) Reversion to the auction system for the settlement of all country spirit and drug shops previously settled under the sliding scale system in the districts of Patna, Purnea and Ranchi from the 1st July 1932, and in the rest of the districts of the province except in the districts of Angul, Manbhum and Singhbhum (country spirit shops) and Sambalpur (drugs and a few country spirit shops) from the 1st October 1932.

(*h*) Introduction of the system of licensing home-brewing of pachwai in Angul with effect from the 1st April 1932.

(*i*) Introduction of the tari tree tax system in the Arrah Sadr and the Arrah Mofassal thanas of the district of Shahabad, in the Dighwara circle of the district of Saran and to the whole of thanas Kesaria, Pipra, Madhubani, Dhaka and Motihari of the district of Champaran and extension to the whole of the districts of Muzaffarpur, Darbhanga and Monghyr (excepting Jhajha and Kharagpur circle) and to the portion of the district of Bhagalpur lying south of the Ganges, excepting Banka and Katoria circles and continuance of the system in the whole of the district of Patna and in Gaya town, mufassal Gaya and Bodh-Gaya thana of the district of Gaya.

(*j*) Fixation of maximum retail prices of country spirit, ganja, bhang and opium in place of fixed prices in the districts of Purnea and Ranchi from the 1st July 1932, and in the other districts of the province (excepting Patna) in which shops were settled under the auction system from the 1st October 1932.

(*k*) Reduction in the retail price of country spirit and ganja in most of the districts of the province.

18. *Temperance and anti-Excise movement.*—There was practically no organised temperance movement in any district during the year excepting in Patna and Ranchi. In Patna vigorous social uplift movement existed throughout the year. It aimed at eschewing liquor and not ganja, bhang and opium. A huge gathering was held near Debisarai, Bihar, in which Dusadhs from Benares, Darbhanga and various parts of Patna met. They took a vow to abstain from taking liquor, fish and meat. Similar meetings on a smaller scale were held in other parts of the district in which not only Dusadhs but Hajams and other low-castes joined. In Ranchi the Haribol or Baribaba movement continued up to the first six months of the year after which it collapsed. The Christian panchayats of Konpala and other villages passed a resolution imposing ban on drinks. It was also resolved that people who indulged in drink would get no help from co-operative banks. Pans and Gonds of Angul, who gave up liquor and tari last year, were again gradually, though in most cases secretly, taking to these intoxicants. In some other districts also consumers who had given up drinking are reported to be gradually coming back to the shops finding the time peaceful. There was a lull in the anti-Excise movement throughout the year. There was no systematic picketting of excise shops in any district, but sporadic cases of picketting were heard of sometimes. The mischievous propensities of the Congressites were kept under restraint by the Ordinances, but some cases of aggressive nature occurred during the year under report. In July 1932, the first month under the auction system at Barh in the district of Patna, a Dusadh who had taken the sacred thread in consequence of the social uplift movement and who was discovered taking liquor in spite of it was molested. Half of his moustaches and hair on his head were shaved off. He was made to ride on an ass; and while he was being taken to the Ganges for a bath for the purpose of purification, he was produced at the police station. He lodged a complaint under section 147-342, Indian Penal Code, against 14 persons, out of whom 10 were convicted —6 had 3 months' rigorous imprisonment and 4 fine of Rs. 40 each and the remaining 4 were acquitted. One Sonar of Barahat in the district of Bhagalpur was severally assaulted by Congressmen for drinking tari. The licensee of Nandalpur country spirit shop could not get labourers to do repairs to the thatch of the shop premises until the local Excise officer could secure one for him with the help of some Muhammadans of the place. In Gaya printed leaflets were distributed among the excise vendors a few days before the annual settlement by the Congress workers threatening the licensees that their shops would be badly picketted if they took settlement for the next year. In the Hajipur sub-division of Muzaffarpur threats were held out to Pasis and liquor vendors not to take settlement of excise shops. Cyclostyled notices in Hindi to this effect were distributed among Pasis and vendors. In Bhagalpur leaflets were circulated and distributed widely by the Congress people among the Pasis and others enjoining upon them not to take settlement of tari shops. Simultaneously also the auction system of settlements having been changed into tree-tax system, the Congress people took advantage of

this change by misrepresenting to people that the change was meant for the imposition of a heavier taxation upon the Pasis and the usurpation of the proprietary rights of the trees. Counter-propaganda, was, however, done by the excise officers in time and the attempts of the Congress people did very little succeed. In Muzaffarpur and Bhagalpur districts the spathes of palm-trees were mischievously destroyed and the markings of the trees in the tree tax areas were mutilated. The spirit of lawlessness generated during the civil disobedience movement subsisted in some subterraneous form which accounts for illicit distillations in many places during the year under report.

189. *Convictions.*—6,707 persons were prosecuted for offences, against the Excise and Opium Acts, against 6,420 in the year 1931-32. The total number of persons arrested in 1912-13 was 1,816 and out of these 1,580 persons were convicted. 2,946 cases of illicit distillation were detected during the year under review, against 3,235 in the year 1931-32. Pachwai cases decreased from 1,297 to 1,009. The total number of persons convicted for offences under the Excise and Opium Acts during the year was 5,692 against 5,649 in 1931-32. The percentage of convictions to arrest was 84·8 against 89·3 in the preceding year and 87 in the year 1912-13. The number of persons convicted for offences relating to country spirit was 3,564 against 3,476 in the year 1931-32 and 798 in the year 1912-13.

190. *Location of shops.*—The sites of liquor shops were carefully selected in accordance with the procedure laid down in sections 30 to 37 of the Excise Act, 1915, and rules made thereunder in consultation (*a*) with the magisterial and other local authorities, (*b*) with large employers of labour and (*c*) in municipal towns, with local Advisory Committees. These Committees were constituted with the Collector of the district (or, in less important towns, with the sub-divisional or other officer not below the rank of a Deputy Collector) as Chairman and the Superintendent of Police (or in less important towns, some other Police Officer not below the rank of Inspector, especially deputed by the Superintendent as member). The non-official element consisted of (1) the Chairman of the municipality (or, in towns where the Collector or Sub-divisional officer was the Chairman of the municipality, the Vice-Chairman of the municipality), and (2) one Municipal Commissioner for each ward in which it was proposed to license premises for a liquor shop, such Municipal Commissioner being nominated by the body of Municipal Commissioners (in municipalities not divided into wards, one Municipal Commissioner was nominated by the body of Municipal Commissioners). Since 1914-15 Advisory Committees are also being formed for the rural areas of the districts of the Chota Nagpur division. The functions of these committees are purely advisory, and the final decision as to the number and location of shops rests in every case with the Excise Commissioner, and the Board of Revenue. Changes are made by these authorities in deference to the views of the bodies mentioned above and to the opinion of the local residents. No liquor shop can be opened in or at the entrance of a bazar, or close to places of public resort, such as schools, hospitals, places of worship, etc., or in congested portions of a village.

191. *Licensing Boards.*—Licensing Boards constituted for the first time in 1924-25, as an experimental measure, for the municipalities of Patna, Gaya, Chapra, Muzaffarpur, Darbhanga, Monghyr, Bhagalpur and Cuttack to exercise, subject to the control of the Local Government, all the powers and perform all the duties which are conferred and imposed upon the Collectors by sections 30 and 34 of the Bihar and Orissa Excise Act, 1915, in respect

of the shops for the retail sale of country spirit and hemp drugs continued during the year. They were vested with similar powers in respect of opium shops in the areas mentioned above. The boards were constituted as follows :—

(1) President—Chairman of the municipality.

(2) One member elected by the Municipal Commissioners from among their own number or from outside.

(3) One member nominated by duly registered temperance societies if any, in the city.

(4) One non-official member of the Legislative Council, resident in the municipality.

(5) One member elected by the Principals and Headmasters of local colleges and High schools recognized by the Patna University or by the Education Department of the Government.

(6) One member elected by the licensees of the town.

(7) One member appointed by the Collector to represent the labouring and consuming classes.

(8) *Ex-officio* Secretary.—The Superintendent of Excise and Salt.

192. *Administrative Agency.*—After the appointment of a Commissioner of Excise in 1889, the Divisional Commissioners, under section 33 of the Bengal Excise Act, VII of 1878, ceased to exercise control over the administration of Excise in their respective divisions. From the 1st April 1893, Commissioners of Divisions were again brought into touch with Excise, and annual and other reports, and proposals involving any change in principle or policy were required to pass through them. During the year under review the Excise Commissioner worked under the general supervision of the Board of Revenue and was aided in district inspections by a Deputy Commissioner of Excise. The Collector was assisted in his work by a Superintendent of Excise working immediately under his supervision; one of the Superintendents was also employed in the Excise Commissioner's office as his Personal Assistant. The subordinate district agency consisted of Inspectors, Sub-Inspectors, clerks petty officers, and peons, who were variously employed in the management of distilleries and warehouses, in the inspection of shops, in the collection of revenue and compilation of statistics, and in the detection and prevention of Excise offences, and who were controlled by the Superintendent of Excise acting under the orders of the Collector.

193. Prior to 1st October, 1916, the work done in 1932-33 by Superintendent of Excise, was being performed by Deputy Collectors, but from that date the Provincial Excise staff and the Salt staff in the Orissa district were formed into one body, and close service with a cadre of 23 Superintendents of Excise and Salt was formed, whose pay on confirmation was fixed on a time-scale of Rs. 300 to Rs. 850 by biennial increment of Rs. 50 with efficiency bars at Rs. 500 and Rs. 700. Above the time scale was a selection grade of one post on Rs. 1,000. The post of Deputy Commissioner of Excise and Salt (present pay Rs. 1,000—40—1,200 per mensem), was also created to give the Commissioner assistance in inspection, in supervision of the preventive staff and in the co-ordination of preventive operations in different districts.

194. *Incidence of Excise revenue per head.*—Calculated on the population according to the census figures of 1931 the incidence of Excise revenue in Bihar and Orissa including duty receipts on drug exported beyond the province was 5 annas 2 pies per head in 1932-33 of which nearly three fifth was derived from liquors. Excluding receipts from export the incidence of revenue per head of the population was 5 annas only. In 1931-32 the average total excise revenue (including receipts from exports) per head amounted to 5 annas 2 pies compared with 4 annas and 10 pies in 1912-13.

CHAPTER VII.

United Provinces of Agra and Oudh.

195. *Excise Revenue.*—Gross realisations of Excise revenue of the United Provinces for the year ending March 31 1933, were Rs. 123·12 lakhs as detailed below :—

	Receipts in lakhs of rupees.	Percentage of total excise receipts.
1. Country spirit	58·12	47·2
2. *Tari*, etc.	6·39	5·2
3. Duty on Indian made rum, etc.	3·39	2·8
4. Duty on Indian made beer, etc.	1·51	1·2
5. Fees for vend of European liquors	2·28	1·9
6. Opium and compounds	20·12	16·3
7. Hemp drugs	30·80	25·0
8. Miscellaneous	0·51	0·4
Total	123·12	100·0

The total Excise revenue and the revenue from country spirit of the United Provinces during the year 1931-32 amounted to Rs. 109·00 lakhs and Rs. 43·24 lakhs respectively, against Rs. 126·17 lakhs and Rs. 84·06 lakhs in 1912-13.

In 1931-32, the revenue from country spirit bore a percentage of 39·7 to the total Excise revenue during that year, whereas in 1912-13, it represented 66·6 per cent. of the total Excise receipts.

This memorandum is concerned only with the first five items above.

196. *Law regulating liquor traffic.*—The liquor traffic in the United Provinces was regulated by the United Provinces Excise Act (IV of 1910), as subsequently amended.

Country Spirit.

197. The bases used for the manufacture of country spirit are Mahua flower and crude sugar or molasses. An admixture of these in varying proportions is also employed. The eastern districts prefer spirit manufactured from mahua or a mixture of mahua and molasses but the western districts generally prefer spirit distilled from pure molasses. The Tharus of Gonda and Bahraich districts and the Bhutias of Kumaon, use grain as a base for the production of spirit; the inhabitants of certain tahsils in Naini Tal district manufacture *pachwai* or rice beer; all these are permitted to prepare spirit for their own consumption but not for sale.

198. The manufacture of country spirit is regulated under two different Excise systems; the Contract Supply System and the Outstill System.

199. *The Contract supply system.*—The old central distilleries disappeared from the Excise system at the beginning of the year 1921-22. Two of these distilleries remodelled (so far as possible) to meet the requirements of the contract supply system, have been retained and are situated at Allahabad and Fyzabad. The buildings were leased to small joint-stock companies, whose members were, for the most part, local distillers; and to each company a small area for the supply of spirit was allotted. The actual distilling and other plant was the property of the companies. The Government also owned a small distillery at Saharanpur, similarly leased to a small joint-stock company with a small contract area of supply. The plant was sold by Government to the company. The requirements of the remaining contract area were met by spirit supplied from five privately owned distilleries situated within the province and from one privately owned distillery situated at Nowgong, Central India. The contract supply system supplied to 88 per cent. of the provincial area and was in force throughout the province, save for certain inaccessible tracts where the outstill system prevailed. Under this (contract) system, the privilege of supplying country spirit of a prescribed quality, base and strength, at an agreed price to a pre-determined tract for a fixed period was granted to one firm of distillers exclusively. The method of selection was that Government call for tenders in which the rates for the supply of spirit at all the stated bonded warehouses in the area were required to be specified. Government, as a rule, award the contract to the firm tendering at the lowest rates, but reserve power to accept or reject any tender, without assigning any reason for doing so. No payment was required from the distillers for the exclusive right of supply as the object was to secure to the public a supply of good spirit at a cheap and uniform rate.

The selected firm was bound to sell spirit to licensed vendors at all the bonded warehouses in its contract area at the prescribed strengths, and at the price per bulk gallon of issue strengths accepted by Government. This contract price did not include Excise duty which Government could vary at any time during the contract. Spirit of the description contracted for, was required to be supplied regularly; delay or failure rendered the supplier liable to penalties and all loss to Government could be made good at the contractror's expense. The spirit supplied was periodically examined and the supplier was bound to remedy any defects which may be discovered. Spirit below the standard quality could be rejected and destroyed.

Contract rates varied from Rs. 1-6 to Rs. 2-6 per L. P. gallon.

Spiced country spirit was also sold under this system, but the supply price was determined by the contractors themselves.

200. *Bonded Warehouses.*—To facilitate the supply of country spirit to retail vendors at a uniform rate throughout the area, bonded warehouses were established at convenient centres within the contract area. The number of warehouses, on April 1, 1932, was 77 compared with 78 on April 1, 1931 and 55 on April 1, 1912.

201. Wholesale depots which were controlled by the supply contractor were also established in certain areas in addition to bonded warehouses for the sale of spirit to retail vendors who owing to distance or lack of proper communications found it inconvenient to obtain their supplies from bonded warehouses. Duty paid spirit obtained from the nearest bonded warehouse or distillery in the district was stored in them and vendors of areas where

a higher rate of Excise duty prevailed, were not allowed to purchase it from a depot situated in a low duty area. The price which could be charged at wholesale depots, could not exceed the total of the following items :—

1. Still-head duty ;
2. Contract price ;
3. Depot rate as fixed by the Excise Commissioner which is about three annas per L. P. gallon.

There were 17 wholesale depots in existence in the year 1932-33, as compared with the same number in the preceding year and 5 in 1912-13.

Licensing System.

202. (*a*) *Licenses for retail sale.*—During the year, an important departure was made in the system of licensing country spirit shops. In 16 districts *viz* ;—

(1) Saharanpur	(9) Bareilly
(2) Meerut	(10) Lucknow
(3) Dehra Dun	(11) Shahjahanpur
(4) Muzaffarnagar	(12) Pilibhit
(5) Cawnpore	(13) Unao
(6) Fatehpur	(14) Rae-Bareli
(7) Allahabad	(15) Sultanpur
(8) Partabgarh	(16) Bara-Banki

the surcharge system was terminated on April 30, 1932, and was replaced by the auction system as a tentative measure. This change was rendered necessary because a careful investigation revealed that the "surcharge system" had, instead of promoting temperance, stimulated the growth of illicit distillation and smuggling which was accelerated by the Civil Disobedience movement. Furthermore, the unprecedented economic depression which started in 1931 continued unabated and in spite of substantial *taqavi* advances, remissions and suspensions of land revenue, the condition of the agricultural and industrial classes which form a majority of those who use intoxicants did not improve materially. This general depression combined with the high prices prevailing for licit liquor drove many consumers to the use of the illicit article which was disastrous to the cause of temperance. The result of the experimental introduction of the auction system was fairly satisfactory and since the close of the year it has been extended to the rest of the contract area of the province. In respect, however, of determination of the number and location of shops, the Excise Advisory Committees and Licensing Boards continued to function as in previous years.

(*b*) Only one wholesale licence was granted during the year with the previous sanction of the Excise Commissioner.

203. Before May 1, 1932, the rates were the same as in 1931-32. From May 1, 1932, still-head duty on country spirit issued in areas under the contract supply system was levied at the following rates :—

	Rate of duty per L. P. gallon. Rs. A. P.
For consumption in the towns of Dehra Dun, Rajpur, Mussoorie, Meerut, Agra, Bareilly, Cawnpore, Benares and Lucknow	10 0 0
For consumption in the districts of Saharanpur, Muzaffarnagar, Bulandshahr, Aligarh, Muttra, Mainpuri, Etah, Bijnor, Budaun, Shahjahanpur, Pilibhit, Farrukhabad, Fatehpur, Unao, Rae Bareli, Sitapur, Hardoi, Kheri, Sultanpur, Partabgarh, Bara-Banki, Dehra Dun (except towns of Dehra Dun, Rajpur and Mussoorie), Meerut (except town of Meerut,) Agra (except town of Agra), Bareilly (except town of Bareilly), Moradabad (except Darhial town), Etawah (except Trans-Chambal tract), Cawnpore (except town of Cawnpore), Allahabad (except old Bara tahsil and that portion of Meja tahsil (except Chilbila shop) lying south of Allahabad-Mirzapur Railway), Benares (except town of Benares), Lucknow (except town of Lucknow)	7 8 0
For consumption in :—	
(*a*) Town of Naini Tal	7 8 0
(*b*) The tahsils of Sittarganj and Khatima of the Naini Tal District	5 5 0
(*c*) Rest of the Naini Tal district	6 4 0
For consumption in the districts of Jaunpur, Ghazipur, Ballia, Azamgarh, Almora, Fyzabad, Gonda, Bahraich, Benares (except Benares town), Mirzapur (except Hallia circle and distillery area of Robertsganj tahsil), Gorakhpur (except Maharajganj tahsil and part of Padrauna tahsil north of Captainganj Padrauna-Bansighat Road), Basti (except Trans-Rapti tract)	6 4 0
For consumption in the town of Jhansi	6 4 0
For consumption in the districts of Jhansi (except Jhansi town), Banda, Hamirpur and Jalaun	4 8 0
For consumption in the town of Darhial district Moradabad	5 0 0
For consumption in the Trans-Chambal tract of the Etawah district	5 0 0
For consumption in the Maharajganj tahsil and part of Padrauna tahsil north of Captainganj Padrauna Bansighat Road, district Gorakhpur	5 0 0
For consumption in the Trans-Rapti tract of the Basti district	5 0 0
For consumption in the Garhwal district	5 0 0
For consumption in Old Bara Tahsil and that portion of Meja tahsil (except Chilbila shop) lying south of Allahabad-Mirzapur Railway, district Allahabad.	1 13 0
For consumption in Hallia circle and Distillery area of Robertsganj tahsil, district Mirzapur	1 13 0

NOTE.—(*i*) The expression "town" includes the area within the municipal or town boundaries, the area within the cantonment boundaries (if any) and all places within a distance of two miles from the nearest point of either of the aforesaid boundaries.

(*ii*) Where the rate of duty for a town is not given separately but only that for the district is given, the latter applies to the town as well.

An export duty of 2 annas per L. P. gallon was levied on all exports of country spirit.

204. *Revenue, consumption and average taxation.*—The total issues to contract areas in 1932-33 amounted to 443,403 proof gallons. The revenue realised therefrom was made up of Rs. 34·26 lakhs from duty and Rs. 22·11 lakhs from vend fees. The average incidence of taxation amounted to Rs. 12-11-4 per proof gallon of which Rs. 7-11-6 were derived from duty and Rs. 4-15-10 from vend fees, etc. In addition to this, 31,604 L. P. gallons of country spirit were exported to other provinces and Indian States. In 1931-32, the total quantity of country spirit issued in contract areas amounted to 284,217 proof gallons. The total revenue realised therefrom was Rs. 41·38 lakhs and the incidence of taxation amounted to Rs. 14-8-10 per proof gallon of which Rs. 10-4-4 were derived from duty and Rs. 4-4-6 from vend fees, etc.

The total issues in the ordinary and contract distillery areas taken together in 1912-13 amounted to 1,68),932 proof gallons. The total revenue realised therefrom was Rs. 82·60 lakhs and the total average taxation per proof gallon amounted to Rs. 4-14-2, of which Rs. 3-3-4 were derived from duty and the balance from vend fees, etc.

The average consumption of country spirit per 100 of the population in the years 1912-13, 1931-32 and 1932-33 was 3·61, 0·62 and 0·92 L. P. gallons respectively.

Out-still system.

205. *Description, extent and revenue.*—A licence to manufacture and sel spirit at a specified shop technically known as an " out-still " is granted on payment of a licence fee which is determined by auction. No monopoly of manufacture or vend over a specified area is granted and no still head duty is payable in addition to the licence fee.

Out-stills are usually established in tracts bordering on Indian States, or in localities, where owing to sparseness of population or difficulties of communication, etc., no system of contract supply and still-head duty can be worked. In both the years 1931-32 and 1932-33, the out-still system prevailed in parts of the districts of Pilibhit, Mirzapur, Gorakhpur, Gonda, Bahraich, Almora, Garhwal and Kheri. The revenue realised amounted to Rs. 1·74 lakhs in 1932-33 against Rs. 1·86 lakhs in 1931-32. In 1912-13, this system was extent in parts of Etawah, Pilibhit, Allahabad, Mirzapur, Gorakhpur, Kheri, Gonda, Bahraich, Almora and Garhwal districts. The revenue realised under this system then amounted to Rs. 1·47 lakhs. For the area under and the population served by this system, please see Statement V.

206. *Connection of shops and stills under the farming and out-still systems.*—Ordinarily, under the out-still system, there is one place only for both manufacture and vend, but when necessary an outlying shop may, with the special sanction of the Excise Commissioner, be attached to a combined still and shop.

Geographical distribution of the distillery and out-still system.

207. It will be seen from the foregoing paragraphs that the great bulk of the province including all the more developed and thickly populated districts, is under the contract supply system. The out-still system applies only to the thinly populated and inaccessible tracts on the northern, eastern and southern boundaries. On the north, the out-still system includes nearly the whole of Garhwal district and on the north-east, it forms a protection

belt between Nepal and the districts of Almora, Pilibhit, Kheri, Bahraich and Gorakhpur. On the south it embraces the uplands of Mirzapur.

208. *Special exemption from the Excise laws and rules in certain localities.*—The Bhutias have been exempted while residing within the parganas of Dharama and Johar and at the Bholia Parao at Dharchula in the pargana of Askot in the Almora district and in pargana Painkhanda in the Garhwal district of the Kumaun Division, from all those provisions of the United Provinces Excise Act (IV of 1910) which prohibit or render penal the manufacture of liquor, except under a licence and the possession of liquor in excess of retail quantities, provided that any liquor which they manufacture or possess is used for domestic consumption only and not for sale. The inhabitants of those portions of parganas Jaunsar Bawar in the Dehra Dun district which lie outside the town of Kalsi and the Cantonment of Chakrata have also been exempted from the provisions of the Act, in so far as they are permitted to manufacture without licence for domestic consumption only and not for sale, spirit and fermented liquor known as *Sur* and *Rabra* respectively and to possess such spirit and fermented liquor in excess of retail quantities.

Tari, etc.

209. As a rule, the only taxation on *tari* is that obtained from licences for its retail sale. The number of shops is fixed and the privilege of vend may be sold for each shop individually or the monopoly of vend in a district or Tahsil may be formed to a single contracter who may sublet the privilege if so disposed. No distinction is observed between "fermented" *tari* and "fersh" or unfermented *tari*. Both are subject to the same system and incidence of taxation.

210. *Tree-tax system.*—The tree-tax system was in force during the year in one tahsil of Basti district and the whole of the Gorakhpur district. A tax of Rs. 6-12-0 and Rs. 5-12-0 on each tar or palmyra tree and of Rs. 2-4-0 and Rs. 2-2-0 on each *khajur* or date-palm tree tapped was in force in Gorakhpur town and the rest of the tree-tax area respectively. The licensees of the shops in the area were selected by the Collector or the Licensing Board, as the case was, by drawing lots or by selection from among suitable applicants and in addition to the tree-tax, they had to pay licence fees in the form of a surcharge of Rs. 2-4-0 per tar and Re. 0-12-0 per *khajur* tree tapped Owners of trees were allowed to tap up to a limit of 5 trees annually on payment of the tree-tax for domestic consumption only.

The total number of shops for the retail sale of *tari* in 1932-33, was 1,541 against 1,562 in 1931-32 and 3,023 in 1912-13.

211. *Other native fermented liquors.*—*Sendhi* is a kindred drink to *tari* and is made from the sap of the wild date-palm (Phœnix sylvestris). Its consumption is insignificant and for the purpose of taxation is generally included in the *tari* contracts. *Darbahra* is a variety of country beer obtained by fermentation of various herbs. It is very slightly alcoholic, has a limited consumption in the Azamgarh district and is included in *tari* contracts. *Boza* is a fermented liquor made from rice. It is used very little and is included in *tari* contracts.

212. *Receipts from tari, etc.*—The total revenue from *tari* (which included receipts from the other liquors mentioned above) was Rs. 6·39 lakhs in 1932-33 against Rs. 6·65 lakhs in 1931-32 and Rs. 3·32 lakhs in 1912-13.

Indian made foreign spirit.

213. *Manufacture and duty.*—Rum and spirits sophisticated to resemble whisky, brandy and gin as well as rectified spirit and denatured spirit, are manufactured after European methods both for local use and for export at the private distilleries at Shahjahanpur, Cawnpore, Unao, Saharanpur and Lucknow. Issues must be covered by a pass granted by the officer-in-charge of the distillery. No fee is charged for the distillery licence; but the distillers have to deposit security which is liable to be forfeited should they commit any breach of the conditions of their licence.

During the year 1932-33, the rate of still-head duty on such liquors was Rs. 24-6-0 per proof gallon. The rate was Rs. 9-6-0 per proof gallon on rum and other sophisticated spirits and a duty of 5 per cent. *ad valorem* was levied on denatured spirit in the year 1912-13. Rum issued to troops was excised at Rs. 24-6-0 per L. P. gallon. From July 1, 1932, duty was reduced to Rs. 17-8-0. Since 1915-16, no duty was levied on denatured spirit. Rectified spirit was issued at Rs. 5 per L. P. gallon to soap manufacturers and approved chemists and druggists for the manufacture of soap and drugs, medicines and chemicals. Since the close of the year, the same rate had been sanctioned to manufacturers of toilet preparations.

214. In 1932-33, 12,469 proof gallons of rum, sophisticated spirit and rectified spirits of wine were issued for consumption in the United Provinces; 26,910 gallons were issued to other provinces of which 19,707 gallons were exported in bond and 7,203 gallons on pre-payment of duty. In 1931-32, 10,086 proof gallons of rum, sophisticated spirit and rectified spirit were issued for consumption in the province and 28,404 gallons were issued to other provinces. In 1912-13, the quantity of rum, sophisticated spirits and rectified spirit issued for ordinary consumption in the United Provinces amounted to about 13,575 proof gallons. About 16,802 gallons of such spirits were issued to other provinces.

Indian made foreign liquor (except beer from the Punjab) was allowed to be imported on (1) pre-payment of duty in the United Provinces, (2) in bond, and (3) on pre-payment of duty in the province of export at the rates leviable in the United Provinces to be subsequently transferred to this province by book transfer. Import of beer from the brewery in the Punjab and of foreign spirits from the Cox's Distillery, Nowgong, Central India, was allowed on pre-payment of duty in those provinces for subsequent transfer to this province by book adjustment. Export of duty paid Indian manufactured foreign liquor from wholesale premises was made under passes.

215. Indian made rum, whisky, brandy and gin were sold under the same licences as imported European spirits; the vendors making their own arrangements for supply either from the distillery direct or through wholesale vendors.

An export duty of two annas per L. P. gallon was levied on export of all locally manufactured foreign spirit, to other provinces and Indian States. This was not refundable to the importing provinces. The exceptions to this rule were—

(1) denatured spirit, and

(2) rectified spirit issued to charitable and educational institutions.

Indian made beer, etc.

216. *Manufacture and duty.*—Liquors were manufactured from malt and hops after the English method in the private brewery at Ranikhet. A duty of Re. 0-12-0 per bulk gallon was charged on all issues.

Beer could be removed from a brewery on a pass from the Collector. If a brewer had duly executed a bond, he was authorised to issue the pass himself, provided the duty on the quantity thus issued did not exceed the amount of the bond. No fee was charged for a licence to work a brewery.

217. In 1932-33, the total issues amounted to 38,725 gallons, all of which were consumed within the province. In 1931-32, the total quantity of Indian made beer issued for consumption in the province amounted to 63,580 against 331,864 gallons in 1912-13.

218. Indian made beer is included in the definition of foreign liquor an was sold along with the imported article in shops licensed for the sale of European liquors generally.

European liquors.

219, Revenue from the overseas imported liquors was derived only from fees for the right to sell; the duties thereon being collected by the Customs Authorities. A licence for the sale of European liquors covered the sale of sophisticated spirits and fermented liquors manufactured in India after the European methods. Licences for the wholesale vend of foreign liquor were of two classes, *viz.*, (1) for vend to wholesale and retail vendors only and (2) for vend to wholesale and retail vendors and to the public. The assessment of fee for both kinds of these licences was made on the basis of a surcharge on the actual sales made during the previous year. The fee for a licence of class (1) above was subject to a minimum of Rs. 100 for a year or any part thereof and to a maximum of Rs. 300 and the fee of class (2) was subject to a minimum of Rs. 100 for a year or any part thereof but to no maximum. Fees for retail vend licences were also assessed on the actual sales but according to different scales. The fee for a shop licence for consumption "Off" the premises was assessed on a lower scale than that for consumption both "On & Off" the premises. Licence fees were assessed in each case by the Collector on the basis of figures of actual sales in the preceding year. In towns where Licensing Boards exercised jurisdiction, licences for sale for consumption "On & Off" the premises, *i.e.*, for ordinary drinking taverns were under the control of the Board. Occasional licences for the vend of spirit at public entertainments were also granted by District Officers on a fee of Rs. 4 per diem. When an "On & Off" licence was granted for premises attached to a theatre or cinema, the minimum fee was Rs. 1,500 per annum. The licence fee for the retail vend of denatured spirit was Rs. 25 per annum only.

Licences to bottle foreign liquor were granted to wholesale vendors only on fees varying from Rs. 100 to Rs. 300 a year.

220. *Receipts from and consumption of foreign liquor.*—In 1932-33, the total receipts from vend licences for European liquors (including those manufactured in the country) amounted to Rs. 2·28 lakhs against 2·37 lakhs in

1931-32 and 0·63 lakhs in 1912-13. A comparative statement showing sales of the three classes of foreign liquor is given below :—

Year.	Imported liquors.			Liquors manufactured in India and classed as foreign liquor.	
	Spirits in L. P. gallons.	Wines in Imperial gallons.	Beer in Imperial gallons.	Spirits in L. P. gallons.	Beer in Imperial gallons.
1912-13 . . .	Not available.	Not available.	Not available.	Not available.	Not available.
1931-32 . . .	56,385	24,194	233,195	16,530	234,456
1932-33 . . .	52,860	25,511	199,175	21,705	264,543

Licensing Boards.

221. In the municipalities of Allahabad, Cawnpore, Benares, Lucknow Agra, Meerut, Bareilly, Moradabad, Gorakhpur, Fyzabad, Naini Tal, Jhansi Aligarh, Saharanpur, Shahjahanpur, Mirzapur, Farrukhabad, cum Fatehgarh Dehra Dun, Jaunpur, Muttra, Etawah, Budaun, Hathras, Pilibhit, Ghazipur Bahraich, Muzaffarnagar, Sitapur and Banda and in the rural area of Lucknow and Bijnor districts, Licensing Boards with powers to determine the number and location of excise shops were constituted. They were also empowered to select licensees except in cases where the selection was made by auction. Their composition was as under : —

5 Members representing the municipality (elected) ;

1 Member representing education (elected) ;

1 Member representing temperance (elected) ;

1 Member representing labour (nominated) ;

1 Member representing the excise licensees (elected) ;

1 Member representing the Assistant Excise Commissioner (*ex-officio*), and the District Excise Officer as Member and Secretary.

The rural Licensing Boards consists of :—

5 Members representing the district board (elected) ;

1 Member representing each municipality situated within the district in which a licensing board does not exist ;

1 Member representing education (elected) ;

1 Member representing temperance (elected) ;

1 Member representing labour (nominated) ;

1 Member representing the excis licensees (elected) ;

1 Member representing the Assistant Excise Commissioner (*ex-offico*) ; and the District Excise Officer as Member and Secretary.

The boards have jurisdiction over :—

(*a*) shops for the retail sale of country liquor (xcept as regards the selection of licensees where the licences are sold by auction) ;

(*b*) shops for the retail sale of opium ;

(*c*) shops for the retail sale of intoxicating hemp drugs ;

(*d*) shops for the retail sale of *tari* (except as regards the selection of licensees, where the licences are sold by auction) ;

(*e*) shops for the sale of foreign liquor for consumption "On & Off" the premises.

The decision of the Boards are subject to revision by the Local Government on appeal.

Advisory Committees.

222. In each municipality in which a Licensing Board has not been constituted and in each district except in districts for which a rural licensing Board has been consitututed excluding municipal and contonment areas, an Excise Advisory Committee is appointed every three years. Their composition is as under :—

2 members of the municipal board or of the district borad according as the committee represents an urban or rural area ;

2 members representing other interests, especially education and temperance ;

2 members of the Legislative Council, representing the constituency in which the committee functions ;

1 the Assistant Excise Commissioner of the charge ;

1 the District Excise Officer as member and Secretary.

The duties of the committee are (1) to meet annually to consider (*a*) the number and location of shops in the municipality or district and (*b*) any representations made in connection with Excise by the inhabitants of the municipality or district to record resolutions thereon and to communicate them to Collector, (2) to recommend to Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary, as licensee of a shop, (3) to meet when convened by the Collector for the purpose of giving him advice (*a*) on matters connected with excise and (*b*) regarding arrangements to be made by him for carrying on the business of a shop which has been subjected to picketing for political purposes or for changing the sites of shops or temporary creation of new shops to take the place of or to be started in addition to existing shops which have been subjected to picketing for political purposes ; (4) to meet when convened by a requisition addressed to the Chairman by not less than three members ; and(5) to make periodical inquiry every third year as to the location of shops.

Where licensees are not selected by auction, it is also their duty to recommend to the Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary as licensee of a shop.

223. *Achievements of the Licensing Boards and Advisory Committees.*—The result of the settlements made by the 29 urban and 2 rural boards in so far as it related to liquor was as given below :—

Kind of shop.	Number of shops in 1932-33.	Changes introduced.		Accepted by Excise Commissioner or by Government.	
		Closure.	New shops.	Closure.	New shops.
Country spirit .	253	3	1	3	1
Tari . . .	104	1	..	1	..
Foreign liquor . .	12	..	2	..	..

The result of the settlements proposed by the Advisory Committees is shown below :—

Kind of shop.	Committee's proposals.		District Officer's recommendations.		Accepted by Excise Commissioner or Government.	
	Closure.	New shops.	Closure.	New shops.	Closure.	New shops.
Country spirit . .	56	23	52	23	52	23
Tari . . .	3	5	3	5	3	5

Public opinion.

224. Government decided to help in Temperance progaganda and a sum of Rs. 5,000 was allotted for the purpose of aiding genuine temperance associations. Rs. 3,200 were utilised during the year. A further sum of Rs. 1,000 was spent on measures of temperance publicity.

Various agencies helped in carrying on the progaganda and the forms in which it is conducted are given below :—

(1) Exhibition of Cinema films and Magic lantern slides on Temperance subjects.

(2) Delivery of lectures by temperance preachers.

(3) Organization of temperance processions, exhibitions, etc.

(4) Publication and distribution of journals, leaflets, posters, placards, charts, etc., including gifts of books on temperance to educational institutions and public libraries.

(5) Staging of temperance dramas.

(6) Insertion of temperance lessons in text books and readers prescribed for the various classes in schools.

(7) Utilization of the existing caste Panchayats to bring about the object of temperance.

(8) Organization of such Panchayats among castes which have at present no Panchayat organization.

(9) Institution of prizes in Schools and Colleges for essays and recitation contests on temperance subjects.

(10) The necessity of abstaining from intoxicants has been impressed on cultivators and especially on the members of depressed classes by personal contact.

The Intoxicant Preventive Society of Cawnpore which was formed under the direction of the Director of Public Health, United Provinces, held several large meetings both in the rural and urban areas, took out processions at festivals, distributed handbills, enlisted members including prominent men, and exhibited shows in local cinemas.

The Director, Maternity and Child Welfare Section reported that the success of her efforts in this direction was reflected in the reduction in infant mortality brought about by progaganda against the administration of opium and other intoxicants to babies which was one of the causes of infant mortality.

225. *More important administrative changes.*—The more important administrative changes effected during the year were :—

(1) The Auction system of settlement of country spirit shops was introduced, as an experimental measure, in 16 districts from May 1, 1932.

(2) Reduction of duty on country spirit ranging from Rs. 8-4-0 and Rs. 3-5-0 per gallon to Rs. 6-8-0 and Rs. 3-4-0 per gallon respectively of 35 U. P. from May 1, 1932.

(3) Permit for carriers of *tari* introduced also in areas under the auction system.

(4) Duty on rum supplied to troops in the United Provinces, reduced from Rs. 24-6-0 to Rs. 17-8-0 per L. P. gallon from July 1, 1932.

226. *Any important debate bill or resolution relating to intoxicating liquors in the Legislative Council.*—Since the close of the year the draft of a bill to amend the law relating to opium smoking in the United Provinces was published in the United Provinces Gazette.

227. *Prosecution and conviction.*—The total number of prosecutions under the Excise Act increased from 1,488 in 1912-13 to 4,705 in 1932-33. It was 3,740 in 1931-32. Although the anti-excise movement started by the Congress in later years was practically extinct, it had made the situation worse by giving an impetus to excise crime.

The undernoted figures would show the rapidity with which the evil spread during the last 12 years in all parts of the province :—

Year.	Total number of illicit liquor cases detected.
1920-21	697
1922-23	1,210
1932-33	3,710

The total number of prosecutions relating to (1) illegal manufacture, (2) illicit possession of spirit and (3) illegal introduction or sale of country liquor increased to 3,710 (2,725), the highest figure on record. All districts except Almora reported cases under one or other of these heads.

Forty-five districts reported illicit distillation cases.

The largest number of cases were reported by the following districts :—

(1) Allahabad 513, (2) Fatehpur 382, (3) Cawnpore 347, (4) Rae Bareli 330, (5) Gorakhpur 230, (6) Lucknow 228, (7) Unao 109 and (8) Partabgarh 103.

In addition to these 13 other districts reported 50 cases or more.

Administrative Agency.

228. There was no change in the system of control. The Excise Administration of each district was in the hands of the Collector under the supervision of the Excise Commissioner. The latter officer worked under the general control of local Government. The control of Excise work in each district was delegated to an Assistant Collector known as the District Excise Officer.

The post of Deputy Excise Commissioner remained vacant as last year. The number of Assistant Excise Commissioners working directly under the Excise Commissioner was reduced from 8 to 6 as a measure of economy. An Assistant Excise Commissioner's charge consisted of 7 to 8 districts. He directed and supervised the work of the Inspectors in his charge, especially on the technical side. He consulted the Collector on local Excise matters and kept him informed on matters of provincial policy and advised him on technical and administrative points. The Collector could give the Assistant Excise Commissioners instructions as to matters into which he should inquire during his stay in the Collector's district. The appointment of Assistant Excise Commissioners did not relieve the Collector of responsibility for the Excise administration of his district. The subordinate staff consisted of Excise Inspectors of whom usually 2 or 3 were posted in each district and of Excise peons, two of whom were usually attached to each Inspector. Every contract bonded warehouse and every distillery was in the charge of an Excise Inspector. Inspectors were also charged with the prevention and detection of Excise crime and to a considerable extent with the prosecution of cases. The police had similar concurrent duties and powers of prevention, detection and prosecution and the two departments worked in co-operation.

Average total Excise Revenue.

229. The average total Excise revenue of the Province as deduced from paragraph 190 *supra*, was Re. 0-4-1 per head of the population of which more than half was derived from the consumption of liquors. In 1931-32, the incidence of total Excise revenue per head of population was Re. 0-3-10 against Re. 0-4-4 in 1912-13.

CHAPTER VIII.

PUNJAB.

230. *Excise Revenue.*—The excise revenue of the Punjab for the year 1932-33 was realized under the following main heads :—

Head.	Receipts (in lakhs of rupees).	Percentage of total excise revenue.
1. Country spirit made in British India . .	40·82	43·00
2. Country fermented liquor	0·07	0·07
3. Beer	7·96	8·38
4. Foreign liquor	3·07	3·23
5. Opium and its preparations	30·58	32·22
6. Hemp Drugs	11·95	12·59
7. Fines, forfeitures and miscellaneous . .	0·47	0·49
Total . .	94·92	99·98

In the previous year the total excise revenue amounted to Rs. 97·14 lakhs and the revenue realised from country spirit made in India was 42·58 lakhs. The corresponding figures for the year 1912-13 were Rs. 64·72 lakhs and Rs. 41·62 lakhs, respectively. In 1931-32 the revenue realised from country spirit bore a percentage of 43·83 to the total excise revenue for that year against 62·8 in 1912-13.

This memorandum is concerned only with the first four items.

231. *Law regulating liquor traffic.*—The liquor traffic in the Punjab was regulated by the Punjab Excise Act, I of 1914, which came into force on the 1st February, 1914, and by the rules framed thereunder.

Country Spirit.

232. *Meaning of the term 'country spirit'.*—Country spirit in the Punjab was distilled from cane sugar. The distilling base was mixed with water and fermenting agents and distilled either in a patent still or in a pot still. Country spirit was to be distinguished from Indian made foreign spirit, which was either country spirit flavoured and some times coloured to resemble imported whisky, brandy, etc., or malt whisky distilled from spoilt beer, which was made from barley. Country spirit was redistilled after the first distillation with flavours and spices, and was then known as spiced country spirit as opposed to plain country spirit, but it was not manufactured so as to resemble imported foreign spirit, it remained country spirit and was excised as such. In 1932-33 the issues of spiced country spirit for consumption in the Punjab amounted to 1,90,228 gallons as against 94,878 gallons of plain country spirit. The consumption of spiced country spirit was encouraged since its use created demand for an article which illicit distillers were unable to supply.

Distillery System.

233. *Description and extent of the distillery system.*—All the distilleries in the Punjab were owned by private firms or companies. The Amritsar, Rawalpindi and Sujanpur distillers had two, two and one continuous steam patent

stills respectively. At Rawalpindi there were two copper pot stills, at Amritsar there was a copper pot still and at Sujanpur a wooden vat still. At Rawalpindi, Amritsar and Sujanpur the pot stills were used for the redistillation of spiced spirit. At Karnal there was a steam heated wooden bodied vat still and there were two small copper-bottomed fire heated vat stills. Considerable quantities of spiced spirit were produced. At Solon in Bhagat State there were four copper pot stills fire heated. The country spirit produced was exported to the surrounding States and to Simla district which was conveniently situated at the end of the Kalka-Simla Railway, Solon Brewery being one of the railway stations on the line. Spiced spirit was prepared by redistillation in this distillery. The distillery being situated outside the Punjab was not subject to statutory regulations under the Punjab Excise Act. The distillery was bound to comply with the instructions of the Punjab Government as a condition of the imports of its products into the Punjab.

234. *Othsr sources of supply.*—Apart from foreign spirit imported into India by sea, the spirit consumed in the Punjab was generally either made in the four Punjab distilleries or in Solon distillery. The import of spirit made in the Rosa factory at Shahjahanpur in the United Provicnes was permitted, but in practice such imports were restricted to Rosa Rum, which was classed as Indian made foreign spirit. Liquor manufactured in the Punjab and exported to the North-West Frontier Province and Delhi Provinee could be re-imported from these provinces.

235. *Regulation of licensed distilleries.*—All distilleries were under the control of the Financial Commissioner, whose sanction was required to all alterations in the designed buildings, or in the equipment of the distillery. An Excise Inspector was posted at each distillery and was assisted by Sub Inspectors and peons. All processes of distilling took place under excise supervision, and no spirit was permitted to leave the distillery until a pass had been granted by the proper authority and duty leviable on the spirit paid into the local, treasury.

236. *Rate of still-head duty.*—The rate of still-head duty during 1925-26 was as high as Rs. 14-1-0, but it was found that such a high rate led to illicit distillation and the smuggling of liquor from the Indian States. It was reduced to Rs. 10 per L. P. gallon in the beginning of the Financial year 1927-28 and to Rs. 7-8-0 from 1st April 1932 and again to Rs. 6-4-0 from 1st April 1933.

Indian made foreign spirit was excised at the rate of Rs. 17-8-0 per L. P. gallon from April 1st, 1926, when the duty was reduced from Rs. 21-14-0 to Rs. 17-8-0 per L. P. gallon in order to enable the local product to compete with cheap spirit imported from Europe up to 22nd March, 1931, when the rate was raised to Rs. 24 per L. P. gallon. This rate was raised to Rs. 24-6-0 per L. P. gollon with effect from 1st July 1931. This high rate of duty reduced the consumption of Indian made foreign spirit almost to vanishing point and from 1st April 1933 it was again reduced to Rs. 17-8-0 per L. P. gallon. No duty was levied on denatured spirit, but during the year under report a license fee was charged for the first time. Rs. 25 per annum was charged from those licenses who were authorised to possess denatured spirit up to 500 gallons and Rs. 100 from others.

Rectified spirit was excised at the rate of Rs. 24-6-0 per L. P. gollon; but free issues of rectified spirit were made to licensed manufacturers of medical and toilet preparations, which paid duty at the rate of Rs. 5 per proof gallon of spirit contained in the finished products of such manufacture, except in the case of supplies to Government and approved charitable hospitals and dispensaries which were free of duty.

237. *Distribution of spirit from distilleries.*—Issues for consumption in the Punjab were made from distilleries direct to retailers or indirectly through wholesale dealers. But no issues were made until the excise duty was credited at the local treasury. Bottling was carried on either by the distilleries in bond, or by licensed bottlers who pay a fee of Rs. 100 per annum.

238. *Wholesale licenses.*—Wholesale licenses were issued at a fixed fee of Rs. 50 per annum.

239. *Retail licenses.*—Each year in the month of January licenses for the retail vend of country spirit were auctioned for the ensuing financial year. In 1932-33 the incidence of vend fees amounted to Rs.4·34 pergallon as against Rs. 7-8-0 still-head duty. The system of auction of retail licenses was open to many objections; but it provided an equitable method of selecting licensees brought in a considerable revenue to the state, and ensured that the distributors of country spirit had a strong personal interest in the prevention of illicit distillation. This last point was a matter of the greatest importance, especially in a country where sugar-cane grow freely and illicit distillation was rife. The number of country spirit retail shops in 1932-33 was 682 as compared with 661 in the preceding year and 795 in 1912-13.

240. *Sale price of country spirit.*—The wholesale price of plain country spirit for delivery at the distilleries was fixed by the Financial Commissioner. During the year 1932-33 it was Rs. 1-14-0 per L. P. gallon, as a maximum price. The retail price of plain country spirit in rural area was generally fixed at Rs. 1-14-0 per quart bottle, while in Simla town and Kullu Sub Division in Kangra district it was Rs. 1-12-0, elsewhere in Simla district, in Kasauli Cantonment, Palampur tehsil and the Jungal shop in Hamirpur tehsil and the Shahpur shop in Kangra tehsil in Kangra district the price of plain country spirit was Rs. 1-10-0 per quart bottle. At urban shops (*i.e.*, in municipalities, Notified Areas, Small towns and Cantonments) prices were not fixed.

241. *Sealed bottle system.*—The sealed bottle system was spreading in the province since April 1st, 1915. Only bottles containing 26 2/3 (a reputed quart), 13 1/3 (a reputed pint), and 6 2/3 (a reputed half pint) oz. respectively could be used. The use of half pint bottles was popular and public drunkenness and rowdyism had been reduced by the system.

242. *Local Option Act.*—Since April 1st, 1924, the Punjab Local Option Act, 1923, had been in force and in a few unimportant places action had been taken under the Act to reduce the number of country spirit shops or even to prohibit sales in a certain local area.

243. *Consumption and average taxation.*—The total amount of country spirit issued for consumption in the Punjab in 1932-33 was 2,81,842 gallons as compared with 2,41,328 gallons in 1931-32. The average taxation per L. P. gallon was 11·84 including Rs. 7-8-0 still-head duty.

Other Country Liquor.

244 *Country fermented liquor.*—In Kangra district *lugri* or rice beer and *sur* or barley beer were consumed. In Kulu, Palampur and Kangra tehsils licenses for manufacture and sale to the public were auctioned, and licenses were issued for home brewing for home consumption at a charge of four annas for each license. No *tari* was tapped or sold in the province. The receipts from country fermented liquor amounted in 1932-33 to Rs. 0·07 lakhs as against Rs.0·07 lakhs in the preceding year and Rs. 0·03 lakhs in 1912-13.

Malt Liquor.

245. *Breweries.*—The Murree Brewery Company owned a brewery at Rawalpindi, and Messrs. Dyer Meakin and Company owned brewery at Solon in Bhagat State. The brewery at Dalhousie owned by Messrs. Dyer Meakin and Co., was closed during the year 1932-33 owing to the decrease in the demand for beer.

246. *Brewery duty.*—A duty was levied at twelve annas a gallon on the quantity manufactured at the Murree Brewery, at Rawalpindi. An allowance of 10 per cent. is made to cover wastage subsequent to the assessment of duty. At Solon the same duty was charged on the quantity imported into the Punjab, an allowance of 6 per cent. being made to cover wastage in transit.

247. *Retail vend.*—Beer, both imported and locally made, was sold by foreign liquor licensees for consumption and off the premises. In some of the larger towns beer shops were licensed for consumption on and off the premises. The practice previously in force in some districts of auctioning such licenses for beer shops was abandoned and fixed fees were charged during the year 1930-31 based on the sales of the previous year. In 1932-33 these licenses were disposed of by tender.

248. *Receipts from the consumption of beer.*—The receipts from brewery duty in 1932-33 amounted to Rs. 7·45 lakhs as against 6·94 lakhs in the previous year and Rs. 2·38 lakhs in 1912-13. A considerable proportion of this revenue however, had to be refunded to other provinces in accordance with the principle that duty follows consumption. The consumption of Indian made beer in the province amounted to 3·90 lakhs gallons in 1932-33 as against 4·29 lakhs gallons in the previous year.

Other Foreign Liquor.

249. *Definition.*—Foreign liquor as defined includes (*a*) all liquor imported by sea into India (other than rectified spirit, denatured spirit and perfumed spirit) on which customs duty is leviable under the Tariff Act, XIII of 1894, (*b*) all liquor other than rectified spirit, denatured spirit, and perfumed spirits on which a rate higher than that levied on country liquor is leviable, and (*c*) all beer manufactured in India or abroad. All spirit manufactured in the Punjab in such a way as to resemble in flavour and appearance whisky, brandy, gin or rum is classed as foreign liquor as is also whisky distilled in the Punjab from spoilt beer. Still-head duty was charged on manufacture in the same way as on country spirit. The rate levied was Rs. 17-8-0 per L. P. gallon as against Rs. 7-8-0 in the case of country spirit. The total consumption in the Punjab in 1932-33 amounted to 4,614 gallons as against 3,587 gallons in the preceding year.

250. *Wholesale trade licenses.*—Licenses for the vend to the trade only of foreign liquors, whether imported or manufactured in the Punjab, were issued on payment of a fee of Rs. 50 per annum.

251. *Sale to the public for consumption off the premises.*—Licenses for the wholesale and retail vend of foreign Liquors to the public were granted on payment of fixed fees, roughly assessed on the sales of the previous year to persons of acknowledged respectability. The rate was calculated on a scale of rupee one per gallon for spirit and wines and six pies per gallon for beer.

252. *Retail vend for consumption on the premises.*—Licenses were issued to hotels, restaurants, railway refreshment rooms and railway dining cars at fixed fees, assessed on the sales, licenses for the retail vend of liquor in military canteens were granted, only with the approval of the commanding officer, for fees assessed on a rough estimate at the rate of one rupee per gallon for spirits and wines and six pies per gallon for beer.

253. *Consumption.*—The consumption of imported foreign liquors sold to the public was 41,818 proof gallons of spirits, 14,839 imperial gallons of wines and 2,04,658 imperial gallons of beer in 1932-33 as compared with 46,671; 15,495 and 2,12,741 in the previous year and 35,023, 10,871 and 68,276 in 1916-17.

254. *Medicated Wines.*—No license was required for the sale of wines containing less than 10 per cent. of alcohol by weight; but those containing alcohol obtained by distillation in quantities exceeding 10 per cent. but not exceeding 21 per cent. by weight could only be sold under licenses granted by Collectors on payment of a fee of Rs. 50 per annum.

255. *Vend receipts.*—The receipts from fees for licenses to sell foreign liquor wholesale and retail to the public amounted to Rs. 1·50 lakhs in 1932-33 as compared with Rs. 1·71 lakhs in the previous year and Rs. 2·01 lakhs in the year 1912-13.

Administration.

256. *Administrative agency.*—There was a Commissioner of Excise, with advisory functions only, in the Punjab from 1888 to 1910, since then the Excise Department had been administered directly by one of the Financial Commissioners. The Excise administration of each district was in the charge of the Collector under the general supervision of the Commissioner of the division. An Assistant or Extra Assistant Commissioner, usually the Revenue Assistant of the district, performed the duty of Excise Officer and was responsible to the Deputy Commissioner for the detailed supervision of Excise administration in the district. In the district of Lahore, Amritsar, Ferozepore and Lyallpur, wholetime Excise officers were employed, who were Extra Assistant Commissioners placed on special duty. These were replaced by two Excise Superintendents, who visited each district in the province and made detailed inspections of all excise work. These were recruited from the Excise Cadre. An Extra Assistant Commissioner was also placed in charge of the duties of Excise Assistant to the Financial Commissioners, and performed the work previously entrusted to the Superintendent of Excise and the Distillery experts. A Deputy Superintendent of Police was responsible for the Excise Bureau in the Financial Commissioner's office and was assisted in this duty by an Excise Sub-Inspector and a Sub-Inspector of Police. Excise Inspectors were posted to each distillery and with one exception to each district. In the district of Lahore a second Excise Inspector was in charge of a portion of the disrtict. These Inspectors were assisted by Excise Sub-Inspectors, of whom in 1932-33 there were 124. Inspectors were paid on a time scale rising from Rs. 180—7½—285, with four selection grade appointments of Rs. 300 each. Sub-Inspectors were graded in a time scale on Rs. 80—5—140, with five selection grade posts of Rs. 150. Excise Inspectors drew ordinary travelling allowance for the days spent on tour, while Sub-Inspectors received a fixed horse allowance of Rs. 22-8-0. Inspectors in charge of a distillery received an allowance of Rs. 30 and Sub-Inspectors employed in distilleries and tincture factories or in charge of breweries, received an allowance of Rs. 20 per mensem. Sub Inspectors posted to

a Charas warehouse received no fixed allowance, except for the Sub-Inspector at Sultanpur, who was permitted to draw allowance.

Offences.

257. *Arrests and convictions.*—In 1932-33, 3,033 persons were arrested and 1,631 persons were convicted for offences under the Excise and Opium Acts, as against 2,329 and 1,222 in the previous year and 775 and 570 in 1912-13. The number of persons arrested for the illicit distillation of country spirit which had been 250 in 1912-13 and 1,310 in 1927-28, fell to 881 in 1928-29 and to 681 in 1929-30 and 770 in 1930-31, but had increased in 1931-32 to 1,404, 1,789 in 1932-33.

Incidence of Taxation.

258. *Incidence of Excise Revenue per-head.*—The average total Excise revenue per head of the population in the Punjab during the year 1932-33 was Rs. 0-6-6 as against Rs. 0-5-0 in the preceding year and Rs. 0-5-2 in the year 1912-13.

259. *The Punjab Excise Board.*—The Punjab Excise Board on which the Punjab States were represented, meets from time to time under the presidency of the Financial Commissioner and discussed excise matters of mutual interest.

CHAPTER IX.

CENTRAL PROVINCES AND BERAR.

260. *Excise revenue.*—The total Excise receipts for 1932 in the Central Provinces and Berar amounted to Rs. 57·43 lakhs as shown below :—

Head.	*Receipts. (In lakhs of rupees.)	Percentage of total Excise receipts.
1. Country spirit	21·78	37·8
2. Tari	3·97	6·9
3. Malt liquors	0·24	0·5
4. Wines and spirits	1·54	2·7
5. Commercial spirits	0·06	0·1
6. Opium	23·26	40·5
7. Hemp drugs	6·41	11·2
8. Miscellaneous	0·17	0·3
Total	57·43	100·0

*Including cost price of opium and hemp drugs.

The total Excise revenue and the receipts from country spirit in 1931 amounted to Rs. 69·04 lakhs and Rs. 27·88 lakhs, respectively, compared with Rs. 106·05 lakhs and Rs. 77·25 lakhs, respectively, in the year 1912-13. The total Excise revenue in 1932 thus decreased by 45·8 per cent. over that of the year 1912-13, and by 16·8 per cent. over that of the year 1931. The revenue from country spirit represented 37·9 per cent. of the total Excise revenue in 1932 against 72·8 per cent. in 1912-13.

This memorandum is concerned only with the first five items. The Excise year was the calendar year 1932.

261. *Law regulating liquor traffic.*—The liquor traffic is regulated by the Central Provinces Excise, Act, II of 1915.

Country spirit.

262. *System of management.*—Ever since the constitution of the Central Provinces in 1861 the problem of the Excise administration in respect of country spirit has been to adapt and combine systems in such a manner as to satisfy the various requirements of different localities. From 1861 to 1867, a Central Distillery system, copied from Oudh, was tried as an exclusive system, but proved quite unsuited to rural and jungly areas. Between 1867 to 1887, the Central Distillery system became more and more restricted to large towns and their immediate neighbourhood, contract stills and out-stills being employed in other areas. From 1881 to 1891 contract stills, which had failed to give satisfaction, were mostly replaced by out-stills. From 1891 to 1895 there was a reaction against out-stills, and another effort was made by means of the "Bonded Warehouse system" to supply rural areas with Central Distillery liquor. The attempt was not successful, and out-stills had again to be provided for rural areas.

In Berar, a Central Distillery system, modelled on the Bombay District Monopoly system (described in Chapter II) was in force in the Ellichpur, Amraoti and Akola districts and in the Malkapur taluq of the Buldana district till the end of the year 1898-99, the remaining area being under out-stills. The

Central Distillery system did not, however, work satisfactorily, and was from the 1st April 1899 superseded in the districts mentioned by a system based on the Contract Distillery system of Madras (described in Chapter I). The latter system was extended to the whole of Berar from the 1st April 1905 in accordance with the recommendations of the Central Provinces Excise Committee of 1904 ; and it was at the same time decided to improve the existing distillery system in the Central Provinces proper on the same model, and also gradually to bring the greater part of the out-still areas under this system.

In 1912-13 there was also a third system (*viz.*, the Sadar, Distillery system) in force in the Central Provinces.

In 1931 only two systems were in force in the Central Provinces, *viz.* :—

(1) The Contract Supply system.

(2) The Out-still system.

263. *Their distinctive features.*—The main features of these two systems may be said to lie in the different methods of taxation involved. Under the out-still system the whole revenue is derived from license fees ; and no attempt is made at direct taxation on consumption. Under the Contract Supply system license fees contribute only a portion of the revenue, the remainder being supplied by a tax on consumption, and this takes the usual form of a quantitative and qualitative duty levied directly on the liqnor. Under the Sadar Distillery system the liquor itself was not directly taxed, but duty was levied on the raw material from which it was distilled.

264. *Description and extent of the Contract Supply system.*—In 1932, the Contract Supply system was in force throughout Berar, and in the whole of the Central Provinces except parts of the Chanda, Mandla, Raipur and Drug districts. In 1912-13 this system was in force in full in all the districts of Berar and in the districts of the Central Provinces except parts of Chanda, Seoni, Mandla, Chhindwara, Raipur, Bilaspur and Drug. Under this system the monopoly of the distillers was limited to the manufacture of liquor, and its sale to licensed vendors at fixed strengths and prices, the retail vendor paying the duty. The distillers obtained their contracts by tender or by selection, and were required to put down liquor at a uniform price at local bonded warehouses in their contract areas and to maintain adequate supplies. The contracts could be given either within or outside the province, and could extend to plain spirit manufactured from molasses by European processes, as well as to *mahua* spirit. The spirit was taken to the bonded warehouses, mostly at high strengths, and was there reduced. It was thence issued to the retail vendors at strengths of 45°, 60° and 65° under proof, the bulk of it at the 60° and 65° under proof strength. In 1912-13 the spirit was issued to the retail vendors at strengths of 60° and 25° under proof, and in some cases 45° under proof. The right of retail vend in sanctioned individual shops was disposed of by auction. The licensees had to obtain their supplies from the bonded warehouses. They paid the full price of their liquors, *i.e.*, duty *plus* the contractor's charge, into the Government treasuries, and had thus no direct money dealings with the distillers. In 1912-13 the Sadar Distillery system was in force only in the Sironcha tahsil of the Chanda district. Later on it was replaced by the Contract Supply system.

265. *Distillery arrangements.*—In 1932 there were 4 distilleries, *viz.*, Akola, Seoni, Betul and Katni. They were located in Government buildings, with the exception of the last, which was in private premises. The contractors paid monthly rent for Government buildings. The distilleries were in charge of Inspectors, whose salaries ranged from Rs. 100 to Rs. 200 a month. These officers were immediately subordinate to the Deputy Commissioner of

the district, and their work was subject to inspection by senior Excise and Revenue officers. The contractors provided their own plant and appliances for distillation.

266. *The Out-still system.*—The operation of the out-still system was confined to the remote and sparsely populated jungly tracts of the Mandla, Raipur, Drug and Chanda districts. Suitable and necessary sites for shops having been settled, the shops were grouped in circles and for each circle one out-still was allowed. The right of working the still and of selling its outturn in the shops of the circle is auctioned every year by the Deputy Commissioner, the capacity of the still and the hours of its working being restricted. The out-stills, which were erected and maintained at the expense of the contractor, were under no regular supervision, but were inspected, from time to time, by officers of the Excise and Revenue Departments. No direct taxation according to strength or consumption of liquor was attempted. The necessity for realizing enough to pay the licence fees tended to prevent the monopolist of a circle from selling liquor at excessively cheap prices. Removal of spirit from one out-still area into another was generally not permitted.

267. *Proportion of revenue realized under Distillery and Out-still systems.*—The following figures show the relative importance of the Distillery and out-still systems as regards revenue, area, etc., in the Central Provinces and Berar :—

Systems.	Area in square miles.			Population in thousands.			Revenue in lakhs of rupees.			Percentage to total of					
										Area.			Population.		
	1912-13.	1931.	1932.	1912-13.	1931.	1932.	1912-13.	1931.	1932.	1912-13.	1931.	1932.	1912-13.	1931.	1932.
Sadar Distillery .	495	..	..	33	..	..	·08	..	..	5	..	..	2	..	..
Contract Distillery Supply.	78,748	94,948	95,633	12,441	15,260	15,316	74·51	27·45	21·55	78·90	95·00	95·80	89·40	98·40	98·80
Out-still . .	20,580	4,928	4,243	1,442	243	189	2·66	0·43	0·23	20·60	5·00	4·20	10·40	1·60	1·20
Total . .	99,823	99,876	99,876	13,916	15,503	15,505	77·25	27·88	21·78	100·00	100·00	100·00	100·00	100·00	100·00

268. *Consumption and average taxation in distillery area.*—The total issues from distilleries amounted to 188,289 proof gallons in 1932 and the revenue derived therefrom was Rs. 12·98 lakhs from duty and Rs. 8·56 lakhs from vend fees. This gives an average taxation of Rs. 11-7-0 per proof gallon, of which Rs. 6-14-5 were derived from duty.

In 1931, the total issues of country spirit in distillery areas amounted to 195,445 proof gallons, compared with 1,201,346 proof gallons issued from distilleries in 1912-13. The total revenue derived therefrom amounted to Rs. 16·29 lakhs in 1931 (giving an average taxation of Rs. 14-4-0 per proof gallon) against Rs. 74·59 lakhs in the year 1912-13 (giving an average taxation of Rs. 6-3-4 per proof gallon). (See statements VI and VII).

The average consumption of country spirit per 100 of the population during the year 1932 was 1·20 proof gallons against 1·28 proof gallons in the preceding year and 8·63 proof gallons in the year 1912-13. The consumption in the province as a whole in 1932 shows a decrease of 3·6 per cent. over that of the preceding year and it is 84·32 per cent. less than that in the year 1912-13. The chief factor which contributed to the decrease was the general economic depression.

269. *Number of shops.*—The number of shops licensed for the retail sale of country spirit was 1,912 in 1932 against 1,950 in the preceding year and 3,759 in the year 1912-13. In 1932 the average number of shops per 100,000 of population was 12·33 against 12·57 in the preceding year and 27·01 in 1912-13. (See statement III).

270. *Excise arrangements in Zamindaris and Feudatory States.*—The Excise privileges throughout the zamindaris were disposed of in the same manner as in the *khalsa*. No control was exercised over country liquor arrangements in the Feudatory States.

Tari.

271. The liquor made by simple fermentation from the sap of palm trees was subject to taxation. The consumption of this liquor was confined almost entirely to the Nagpur, Bhandara, Chanda, Wardha, Jubbulpore, Chhindwara, Hoshangabad, Nimar and Saugor districts of the Central Provinces, and to the four districts of Berar. The Wardha district was the most important in this connection, and produced 29 per cent. of the *tari* revenue of the province in 1932. The right to manufacture and sell *tari* was sold by auction. The purchasers of the monopoly made their own arrangements with the owner of the *tari* trees, and were also permitted to tap trees on Government waste lands. With effect from the 1st October 1926 a general rate of Rs. 2 per tree has been sanctioned by the Local Government as royalty to be realized by the Forest Department from vendors for *tari* trees tapped in Government forest.

272. The tree-tax system was first introduced in the Wardha district and the Chandur taluq of the Amraoti district in 1916-17. In 1932 it was in force in the whole of the Nagpur. Chanda except certain villages inhabited by Maria Gonds, Wardha, Yeotmal and Akola districts and in the whole of the Amraoti district except the Melghat taluq and in the Chhindwara and Sausar tahsils of the Chhindwara district.

In 1932 the *tari* revenue was composed of Rs. 94,674 derived from the tree-tax, and Rs. 3,02,437 obtained in the form of license fees. In 1931 the receipts from the tree-tax amounted to Rs. 1·13 lakhs, and those from license

fees to Rs. 2·35 lakhs. In 1912-13 the Government revenue from *tari* (Rs. 1·68 lakhs) consisted only of the license fees paid for the right of manufacture and vend.

273. *Consumption and number of shops.*—The total provincial consumption of *tari* during the year 1932 was estimated at 773,325 gallons against 789,000 gallons in the preceding year and 1,548,291 gallons in 1912-13. The estimate is only approximate. The decrease in consumption of *tari* in 1932 was due to the general economic depression. The total number of *tari* shops in 1932 was 332 against 335 in the year 1931 and 493 in the year 1912-13.

274. *Working of the tree-tax system and changes introduced.*—The tree tax system continued in force in seven districts, as in the previous year. No change was made in the tax per tree which was Rs. 6 in Nagpur, Wardha, Amraoti and Akola and the Warora tahsil of Chanda, and from Re. 1 to Rs. 4 in other areas. Contractors had no special difficulty in renting trees from private owners who charged generally from one to three rupees a tree.

Foreign liquors.

275. *Classification and vend arrangements.*—The expression "foreign liquor" in the Central Provinces includes not only liquor imported by sea, but also spirit made in India and treated so as to resemble spirit so imported, and country-brewed beer or beer imported in a condensed form and afterwards converted into potable beer, and tonic wines and similar preparations, which contain 20 per cent. and upwards of proof spirit. There were eleven kinds of licenses under which foreign liquor was sold in the Central Provinces, *viz.* an "off" license, a public house license, a hotel and refreshment room license, a dak bungalow license, an occasional license, a chemist's and druggist's license for the sale of rectified spirits, a license for the sale of tonic wines, license for sale exclusively for medical purposes, a canteen tenant's license, a special license, and a license for the wholesale vend of Indian-made foreign liquor.

In 1912-13, the scale of fees for the "off" license and public house license for different localities was prescribed by the Commissioner of Excise, and the hotel and refreshment room license, rectified spirits license, tonic wines license and canteen tenant's license were granted on fixed fees of Rs. 50, Rs. 5, Rs.15 and Rs. 24 per annum, respectively.

In the Central Provinces, with effect from the 1st January 1925, a system of assessment of license fees on each bottle imported for sale was introduced for foreign liquor licenses in form F. L. 1. F. L. 2 and F. L. 3.

The following scale of fees was fixed, in the Central Provinces :—

Kind of license.	Kind of liquor.	Rate of license fees per quart bottle. 1931.	1932.
		Rs. a. p.	
F. L. 1 . . .	Malt liquor (beer, ale, stout and porter) and cider.	0 2 0	The rates of license fees per bottle remained the same.
	Foreign liquor other than malt liquor.	0 8 0	
F. L. 2 and F. L. 3 .	Malt liquor (beer, ale, stout and porter) and cider.	0 3 0	
	Foreign liquor other than malt liquor.	0 12 0	

The rate per pint was half of that for a quart.

Rectified spirits licenses, tonic wines licenses and canteen tenant's licenses were granted on fixed fees of Rs. 5, Rs. 15 and Rs. 24 per annum, respectively.

In Berar the right of vend under the "off" licenses was disposed of by unrestricted public auction. In the Central Provinces shops were assessed on the fee-per-bottle-system, except in Nagpur, Chanda, Hoshangabad (except Pachmarhi), Nimar and Raipur where F. L. 1. (off) shops were disposed of by public auction.

European liquors pay a considerable customs duty at the seaports, and no attempt was made to recover Excise duty on them in the Central Provinces and Berar. The chief concern of the Administration with regard to them was to ensure that their sale was only entrusted to proper persons, and not unduly pushed. In 1932 there were 28 licenses covering retail sale, of which 1 permitted consumption on the premises during the year. There were also 20 licenses issued to hotels and refreshment rooms. The total license fee collection in 1932 amounted to Rs. 91,395. In 1930 there were 28 licenses for the retail sale of foreign liquors against 71 in 1912-13. The total license fees in 1931 amounted to Rs. 1,03,103 against Rs. 14,000 in 1912-13.

276. *Consumption.*—The consumption of imported foreign spirits in 1932 decreased from 5,548 proof gallons in 1931 to 3,753 and that of imported wines in 1932 decreased from 831 proof gallons in 1931 to 679 gallons. The consumption of imported beer in 1932 increased from 54,513 proof gallons in 1931 to 54,765 gallons. In 1912-13 the sale of foreign wines, spirits and beer under shop licenses amounted to 4,482, 26,623 and 22,789 gallons, respectively.

277. *Indian rum.*—The only foreign liquor of Indian manufacture that was imported in 1932 was rum from the Rosa distillery at Shahjahanpur in the United Provinces and beer from the Solan brewery in the Punjab. Foreign liquor was also manufactured at the Akola distillery in this province.

Under the system introduced in 1923 the import of Indian made foreign liquor into the Central Provinces and Berar was prohibited, except on bond or on prepayment of duty in the province. The total duty collected in 1932 amounted to Rs. 62,583 against Rs. 68,154 in 1931. In 1912-13, no duty was realized locally on such imports. The system of recovering duty on Indian-made beer in this province was introduced in September 1929, and Rs. 15,216 were recovered in 1932 as against Rs. 36,407 in 1931. It is imported from the Punjab on prepayment of duty which is credited to this province through exchange account.

278. *Denatured spirits.*—Spirits rendered permanently unfit for human consumption by the admixture of caoutchoucine, or in special cases of wood-naphtha, have from the year 1906, been excluded from the class "foreign liquor". Such spirits were imported into the Central Provinces and Berar from the Rosa distillery or from shops in Bombay and Calcutta, and allowed to be sold under separate licenses issued free of fee. Possession by unlicensed persons was restricted to two gallons. The sale of such spirits amounted to 31,889 gallons in 1932 against 29,754 gallons in the preceding year and 1,779 gallons in the year 1912-13.

279. *Locally produced Malt liquor.*—A brewery was started at Jubbulpore in 1896. The duty on issue was levied at the tariff rate for beer of 3 annas per gallon. The duty receipts in 1912-13 were Re. ·01 lakh. No beer was manufactured in Berar. This brewery was closed from the 1st April 1915. In 1932 no beer was manufactured in the Central Provinces and Berar.

280. *Temperance movement.*—No educative propaganda in favour of temperance was organized by the public generally or by leaders interested in the prohibition issue and the Excise Department could not count on active private help or support in its campaign against the increasing tide of illicit distillation or against the smuggling of *charas*. Government has continued its policy of restriction not only on the consumption of liquor but also of drugs. Lectures were given and posters on temperance were distributed broadcast by the Public Health Department. Leaflets describing the evil effects of *charas* smoking were also circulated by Government agency. There was no anti-excise movement beyond the picketing of some shops and mild demonstrations at a few excise auctions. But this did not seriously interfere with the auctions or working of shops. Government imposed restrictions on the consumption not only of liquor but also of more deleterious intoxicating drugs by the permanent closure of numbers of shops, the temporary closure of others on the occasions of fairs and festivals, the enhancement of duties, the curtailment of hours of sale, the reduction of the strength of country spirit, the sale of country spirit in sealed bottles for consumtption off the premises in important towns, the prohibition of opium-smoking in a company of two or more persons, etc.

281. *Important changes.*—The principal changes made in Excise Administration during the year 1932 were :—

(*i*) an area of 682 square miles under the out-still system was converted to distillery supply with the result that 34 out-stills were converted into retail shops for the sale of distillery liquor.

(*ii*) the rate of issue prices of country spirit were reduced by 15 per cent. in all but four districts,

(*iii*) two warehouses, 45 liquor shops, 3 *tari* shops and 14 drug shops were closed. Seven country spirit shops and 3 drug shops were opened,

(*iv*) rules for the free manufacture and possession of *tari* for domestic consumption by Maria and other Gonds were revised,

(*v*) section 7 of the Central Provinces Opium Smoking Act came into operation from the 1st June 1932 in the Central Provinces and from the 1st July 1932 in Berar.

(*vi*) the issue price of ganja of 1929-30 crop was reduced from Rs. 55 to Rs. 40 per seer from the 16th June 1932 owing to its deterioration, and

(*vii*) rules regarding the import of Indian-made foreign liquor on prepayment of duty in the province of export and its subsequent credit to the importing province through exchange account were issued.

282. *Important debate or resolution.*—In August 1921, a resolution recommending the total and immediate prohibition of the sale of country spirit was moved in the Legislative Council. As a compromise Government agreed to accept prohibition of country liquor as the goal of their policy and this policy has been pursued ever since.

283. *Offences and convictions.*—The number of persons prosecuted for offences under the Excise and Opium Acts was 6,898 against 4,800 in 1931 and 957 in the year 1912-13. Of these, the number of persons convicted was 5,444 in 1932 against 3,769 in the preceding year and 768 in the year 1912-13.

The percentage of convictions to prosecutions was 79 in 1932, against 85 in 1931 and 80 in 1912-13.

The number of illicit distillation cases in 1932 was 3,889 against 2,481 in 1931. The number of cases relating to smuggling of liquor was 270 against 260 in 1931 and 151 in 1912-13.

284. *Location of shops.*—The rules as to location of shops were practically the same. It is laid down that "all such sites for the sale of liquor should be avoided as might likely be to obtrude unnecessarily the vend of spirits upon the notice of passers-by, and thus unduly stimulate the demand". Existing arrangements as to shops in one year are taken as the basis for the next year. The rules provide for changes at any time on account of legitimate objections which may be urged by the inhabitants of any town or village but such objections are few. Under the orders of Government, Excise Advisory Committees are constituted for the rural and urban areas of every district.

285. *Administrative agency.*—Excise in the Central Provinces and Berar was in the charge of an Excise Commissioner, under whose supervision and advice district officers conducted the local administration. The post of the Distillery Expert was abolished, consequent on the retirement of the last incumbent, but the duties performed by him were discharged by a select post District Excise Officer who received a special allowance above the ordinary pay of his grade. A Superintendent of Excise Crime was in charge of preventive work. In each district there was a District Excise Officer who was assisted by an Inspector of Excise in important districts. For executive work the district was divided into circles with a Sub-Inspector in charge of each and one or two peons to aid him.

286. *Average total Excise revenue.*—Calculated on the census figures of 1931, the total average Excise revenue per head of the population in 1932 was about Re. 0-6-1 of which a little over third was derived from liquor. In 1931 the average total Excise revenue per head of the population was about Re. 0-6-11 against Re. 0-12-2 in 1912-13.

CHAPTER X.

ASSAM.

287. *Excise Revenue.*—The gross excise revenue in 1932-33 amounted to Rs. 40·42 lakhs and was realised under the following heads :—

Heads.	Revenue in lakhs of Rupees.	Percentage of total Excise Revenue.
1. Country spirit	14·35	35·50
2. Country fermented liquor (Tari and Pachwai)	·04	·09
3. Foreign liquor	·53	1·31
4. Opium and its preparations	21·20	52·45
5. Hemp drugs	4·03	9·98
6. Miscellaneous	·27	·67
Total	40·42	100·0

In the previous year the total excise revenue and the revenue from country spirit amounted to Rs. 51·25 and Rs. 17·19 lakhs (representing 33·55 per cent. of the total excise revenue) respectively compared with Rs. 48·52 lakhs and Rs. 10·07 lakhs (representing 29 per cent. of the total excise revenue) respectively in 1912-13. This memorandum is concerned only with the first three items.

Law regulating liquor traffic.

288. The liquor traffic in Assam, except in the Naga Hills, the Khasi and Jaintia Hills and the Lushai Hills was regulated by the Eastern Bengal and Assam Excise Act (1 of 1910) which was brought into force in the plains districts of the province with effect from the first April 1912 and in the North Cachar Hills sub-division of the Cachar district, the Dibrugarh frontier tract in Lakhimpur district, the Mikir Hills tract in Nowgong and Sibsagar districts and the Garo Hills district from 1st January 1913. In the remaining hills and frontier areas of the province, in which the Act is not in force *proprio Vigore, viz.*, the Khasi and Jaintia Hills, the Naga Hills, the Lushai Hills Sadiya and Balipara Frontier Tract, the Excise Administration was conducted under the executive orders of the Deputy Commissioner, the Superintendent or the Political Officer as the case was and a breach of orders was punishable under section 188 of the Indian Penal Code. The officer was required to observe the spirit but not the letter of the Act and Rules. The question of extending the Excise Act and Rules to certain portions of the Khasi and Jaintia Hills district to which the jurisdiction of the High Court of Judicature at Fort William in Bengal has been extended is under consideration.

Country Spirit.

289. *Definition of "Country Spirit".*—Country spirit is plain spirit and manufactured by the European or Indian process of distillation from materials which are recognised as bases for the preparation thereof, such as *Mahua* (Bassia Latifolia), rice, millet or molasses manufactured from the juice of

sugarcane or of the date palm. A spirit called "Fatika" is also frequently distilled illicitly from pachwai, a kind of rice beer.

290. *System under which country spirit revenue was realised.*—The manufacture and sale of country spirit were carried on in Assam under two systems, *viz.*, the contract supply system and the out-still system.

291. *Contract supply system.*—The contract supply system was in force throughout the province except in a small part of the North Lakhimpur subdivision of the Lakhimpur district, the Khasi and Jaintia Hills, the Lushai Hills and the hill portions of the Naga Hills and Garo Hills district. This area was supplied with spirit from the distillery of Messrs. Hajee Ismail Sait and Sons, Limited, Calcutta, who received Rs. 1-9-6 per L. P. gallon as the cost price of the spirit issued to retailers. The issue strengths throughout she contract area were 30° U. P. and 60° U. P. Each retail shop was settled separately by a system of tenders with the advice of Advisory Committees subject to a reserved price, the contractors being prohibited from acquiring any interest in the retail vend. All the shops were settled for one year under the vend fee system. The limit of retail sale of distillery liquor was, in most districts, three reputed quart bottles to one person on one day. In some areas one such bottle was fixed as the limit. Including canteens and lessee manager shops. 231 shops were licensed for the retail sale of distillery liquor against 211 (revised) in 1931-32 and 179 in 1912-13. Maximum retail prices were fixed at annas 12 and Rs. 1-5-0 per reputed quart of 60° U. P. and 30° U. P. spirit respectively against annas 8 and Rs. 1-2-0 in 1912-13. The minimum retail prices of 60° U. P. and 30° U. P. liquor were annas 10 and Rs. 1-1-0 per reputed quart respectively against annas 6 and annas 12 in 1912-13.

292. *Outstill system.*—The out-still system was in force in the remaining portions of the province. The areas under the out-still system in the years 1931-32 and 1932-33 were 11,478 square miles against 14,157 sqaure miles in 1912-13. The right to work a still and sell country spirit at a fixed place was put up annually to limited auction at a fixed upset price. In order to guard against monopolies and to secure a respectable class of vendors the Deputy Commissioner was empowered to refuse to accept the highest or any bid. In the Khasi and Jaintia Hills, license fees were imposed at rates varying from Rs. 105 to Rs. 320 per still in different localities. The limit of retail sale of out-still liquor was three reputed quart bottles except in the station of Shillong, where the limit was one reputed quart bottle. The minimum retail selling price of out-still liquor was annas 12 per reputed quart bottle, except in the Khasi and Jaintia Hills where the minimum price was Re. 1. The licensed distillers near Shillong in the Khasi and Jaintia Hills were authorised to sell liquor to the licensed retail vendors in Shillong at annas 12 per quart bottle.

A large number of stills concentrated at Umjajew in the neighbourhood of Shillong continued to work for the three licensed shops within the Shillong Municipality.

A minimum price was fixed in order to lessen the temptation to intemperance. For the same reason the stills were located at a distance (generally not less than five miles) from each other.

293. *Canteen system.*—As a substitute for auction system, the settlement without auction of licenses with tea garden managers for the sale of country spirit to their coolies from canteens on their estates was tentatively introduced in a garden in the Sibsagar district some thirty years ago. The success of this canteen led Government to hope that the system might with

advantage be extended. Two new canteens were opened in 1932-33 against 9 opened in 1931-32. One canteen was closed in 1932-33. There was some evidence that the canteens had been instrumental in decreasing drunkenness but it was clear from the experience in the case of certain canteens that more supervision was required by managers over the garden employees in charge of the canteens.

Four shops on the lessee-manager system described last year were opened in gardens in 1932-33. This system probably appealed to garden managers more than the canteens, as it did not involve any financial outlay or direct responsibility on the part of the garden management. From the departmental point of view also these shops were more amenable to control as the lessee had to deposit a sum as security which was liable to forfeiture in the event of mismanagement.

The sealed bottle and the sliding scale systems continued in the shops in three towns. The sliding scale system was discontinued with effect from 1st April 1933.

294. *Distilleries.*—There had been no distilleries in the province since the closure of the Central Distillery at Jorhat (Sibsagar) in 1918. The spirit required was obtained from the Russa distillery in Calcutta.

295. *Excise Warehouses.*—These were maintained at convenient centres. Each warehouse was in charge of a non-gazetted officer who was styled Inspector of Excise. To these warehouses liquor was sent under suitable arrangements from the distillery in Calcutta, duty being levied at the time of issue from the Warehouse.

296. *Rates of still head duty.*—The rate of still head duty in the contract supply area was Rs. 5-12-6 per L. P. gallon in 1932-33 against Rs. 5-10-0 per L. P. gallon in 1931-32 and Rs. 3-2-0 per L. P. gallon in 1912-13.

297. *Consumption.*—The issues of distillery spirit in 1932-33 amounted to 153,053 L. P. gallons as compared with 173,610 L. P. gallons in the previous year and 247,363 L. P. gallons in 1912-13. The average consumption of country spirit per 100 of the population in 1932-33 was 1·89 L. P. gallon against 2·15 L. P. gallon in 1931-32 and 3·68 L. P. gallon in 1912-13. The figures in the Excise Administration Report are for the population of the distillery area only. The main reason for the decrease in consumption was the general economic depression; *pari passu* there was the brewing of excessive quantities of pachwai and illicit distillation of liquor due to the low price of rice and the comparatively high cost of excise liquor.

The tax realised on country spirit in 1932-33 was Rs. 8·88 lakhs from duty and Rs. 4·56 lakhs from vend fees. The averages taxation per proof gallon was therefore Rs. 8-12-7 of which Rs. 5-12-1 was derived from duty.

The total receipts from country spirit in distillery areas in 1931-32 amounted to Rs. 16·30 lakhs against Rs. 13·81 lakhs in 1912-13. The average total taxation per proof gallon in 1931-32 was Rs. 9-6-0 (Rs. 5-8-11 from duty) against Rs. 5-9-4 (Rs. 3-2-1 from duty) in 1912-13.

The receipts in out-still areas in 1932-33 amounted to Re. 0·89 lakh as in 1931-32 against 0·26 lakh in 1912-13.

Country Fermented Liquor.

298. *Tari.*—The consumption of lawfully fermented *Tari* was practically negligible and licenses were issued in four districts only. Eleven licenses to

sell fermented *tari* were granted under the auction system and the limit of retail sale was fixed at 4 seers. The receipts from license fees amounted to Rs. 4,284 as against Rs. 4,678 in the preceding year and Rs. 105 in 1912-13.

299. *Pachwai.*—Pachwai otherwise called *laopani* or Zu is a fermented liquor brewed generally from rice or millet. No license was issued in 1932-33 for the manufacture or retail sale of this liquor. Persons were allowed to brew it for home use (but not for sale) without license, the limit of possession being fixed at 4 seers undiluted and 12 seers diluted in all districts, except in North Cachar Hills sub-division where the limit was 12 seers undiluted and 36 seers diluted. As an intoxicant manufactured free of supervision it is easily and often adulterated by the addition to the fermenting yeast of various noxious drugs such as Dhatura and thereby rendered deleterious to health. Owing to the cheap price of rice leading to the increased manufacture of pachwai as a substitute for the more expensive excise liquor, the necessity for control over the free brewing of pachwai became necessary and with effect from the 1st April 1933 the limit of free-brewing has been restricted to 1 seer undiluted or 3 seers diluted per person, subject to a maximum of 4 seers undiluted or 12 seers diluted for any one family living and eating together. This classification will, it is hoped, remove a flaw in the present definition of the limit of free brewing and is expected to facilitate the success of prosecutions.

Foreign Liquor.

300. *Supply and duty.*—There was no local manufacture of liquors of this description in the province. Rum manufactured in other provinces (namely, Bengal and the United Provinces) paid duty in the province of manufacture. In the case of rum imported for the canteens of the Indian Army and Assam Rifles units duty was levied at the concession rate of Rs. 10 per London Proof Gallon. Arrangements were made for the recovery of duty on Indian made foreign liquor paid in other provinces such as Bengal and the United Provinces, and the new rules for the Indian made foreign liquor to facilitate the prompt realisation of duty by Government were published and given effect from the 10th April 1932. Under these rules imports of such liquor in any quantity were forbidden except under cover of a pass which were to be issued only to licensed vendors, clubs, persons in charge of regimental or Assam Rifles, canteens or persons approved by the Collector of importing districts. Rum required for political purposes was obtained duty free. The duty on liquors imported by sea was credited as customs revenue at the port of entry.

301. *Vend arrangements.*—Licenses were of two kinds—wholesale and retail, the former covering sales in excess of two gallons or 12 reputed quart bottles. Both were settled under the fixed fee system, fees being realised monthly.

In addition to the above there were special licenses for the sale of foreign liquors in railway refreshment rooms, dining cars, and on board steamers. For these also fixed fees were charged. Licenses were issued to Dak bungalows free of charge. The total number of licenses (of all sorts) for the retail sale of potable foreign liquors in 1932-33 was 124 against the same number in 1931-32 and 101 in 1912-13.

302. *Consumption.*—The total consumption of potable foreign liquors purchased from licensees in the province was 49,247 gross gallons in 1932-33 as against 70,675 gross gallons in 1931-32 and 41,324 gross gallons in 1912-13.

303. *Medicated Wines.*—The number of licenses for the sale of medicated wines was 24 against 29 in 1931-32 and 6 in 1912-13. In 1932-33, 499 gallons were sold as against 304 gallons in 1931-32.

As in 1931-32, ten licenses were issued for the possession of rectified spirit, in 1932-33, chemists and druggists are now required to take out licenses for sale of rectified spirit.

304. *Denatured Spirit.*—One hundred and fifty-three licenses as against 151 in 1931-32 and 26 in 1912-13 were issued for the sale of denatured spirit and for the possession of such spirit in excess of the legal limit altogether 8,680 gallons were sold as against 8,931 in 1931-32 and 976 gallons in 1912-13. No duty was levied by the Government of Assam on denatured spirit or on spirit contained in medicinal preparations imported into the province. There was no evidence that denatured spirit was used as an intoxicant.

Locations of Shops.

305. Sites were selected by the Executive Authorities in consultation with the local bodies: where possible effect was given to the recommendations of local bodies when based on reasonable grounds. In one district 9 country spirit shops were opened with the approval of the Local Board. The policy of locating country spirit shops outside municipal limits was continued by the shifting of the sites of 3 more shops and the question of shifting another town shop was under consideration.

306. *Administrative Agency.*—Excise is a transferred subject and was in the portfolio of the Hon'ble Minister in charge of Education. During the year the department was in charge of a Commissioner of Excise. The department employed on district work 8 Superintendents, 32 Inspectors and 17 Sub-Inspectors, besides petty officers and peons. In addition to these a special branch consisting of 1 Superintendent, 4 Inspectors and 4 Sub-Inspectors with a number of patrol parties was employed under the direct control of the Commissioner of Excise mainly to combat smuggling of opium.

307. *Important Administrative Changes.*—(1) The office establishment of the Commissioner of Excise which had been on a temporary basis since June 1928 was made permanent with effect from the 1st April 1933.

(2) As a measure of retrenchment the posts of 2 Superintendents of Excise 2 Inspectors, 1 Sub-Inspector, 3 Jemadars and 11 Peons were abolished and the districts of Goalpara-cum-Kamrup and of Darrang-cum-Nowgung placed under two Superintendents of Excise with effect from the 1st April 1933. The posts of 2 Sub-Inspectors were sanctioned to replace the two Inspectors of Excise retrenched. The posts of one clerk and one peon were also retrenched from the headquarters office.

(3) The Eastern Bengal and Assam Excise Act, 1910, was amended with a view to enhancing the punishment that could be imposed especially for repeated offences.

(4) Police Officers not below the rank of Assistant Sub-Inspectors were empowered to make complaints or reports to Magistrates for the purposes of Section 65(1) (*a*) of the Excise Act.

308. *Offences and Convictions.*—During the year, 1,960 persons were arrested under the Excise and Opium Laws as against 1,751 in the preceding year and 391 in 1912-13. Convictions were obtained against 1,730 or 88·2 per cent. of the persons arrested in 1932-33 as compared with 1,573 or 89·8 per cent. of the persons arrested in 1931-32 and 343 or 89·2 per cent. of the persons arrested in 1912-13. Cases of unlicensed manufacture and sale of country spirit were 382 during the year against 363 in 1931-32 and 62 in 1912-13. Cases of illegal possession of country spirit were 130 against 109 in the

preceding year and 50 in 1912-13. The total number of offences relating to intoxicating liquor in 1932-33 was 1,051 as compared with 974 (revised) in 1931-32 and 233 in 1912-13.

309. *Incidence of Excise revenue per head.*—Calculated on the population according to the census figures of 1931 the incidence of excise revenue was Re. 0-7-5 per head in 1932-33, of which Re. 0-3-4 was derived from liquor. In 1931-32 the figures were Re. 0-9-5 and Re. 0-3-2 against Re. 0-11-9 and Re. 0-2-11 in 1912-13.

CHAPTER XI.

North-West Frontier Province.

310. *Excise Revenue.*—Including the duty on spirits imported into the North-West Frontier Province, from the distilleries in the Punjab and United Provinces (3·83 lakhs) which was credited to the provinces of export, and, subsequently recovered by book transfer, the Excise revenue of the North-West Frontier Province, for the year 1932-33, was :—

Heads.	Receipts in lakhs of rupees.	Percentage of total Excise Revenue.
Country spirit	3·30	37·63
Imported Liquors	3·12	35·57
Opium and its preparations	1·68	19·16
Hemp drugs and miscellaneous	·67	7·64
Total	8·77	100·00

In 1931-32, the total Excise Revenue of the North-West Frontier Province, including 3·95 lakhs as duty realized from spirits imported from the Punjab and the United Provinces, amounted to 8·95 lakhs as against 5·23 lakhs (including 1·19 lakhs as duty on spirits imported from the Punjab) in 1912-13. The revenue from country spirits in 1931-32 amounted to 3·84 lakhs, as against 2·23 lakhs in 1912-13, representing 42·91 and 42·6 per cent. of the total excise revenue. This memorandum is concerned with the first two items above.

311. *Law regulating Liquor traffic.*—The liquor traffic in the North West Frontier Province was regulated by the Punjab Excise Act (1 of 1914), as extended to the North-West Frontier Province by Chief Commissioner's Notification No. 120-Exc., dated 8/9th February 1915.

312. *Definition of country spirit.*—As in the Punjab, the term "country spirit" denotes potable spirit distilled in India from Gur, molasses or Mahua whether plain or special (*i.e.*, spiced, flavoured or coloured with or without caramel to suit a special Indian taste) provided that it is not described by the name of any imported spirit and does not resemble such spirit or give rise to the impression that it is similar in character to such spirit. The receipts from this source amounted to Rs. 3·30 lakhs in 1932-33, of which Rs. 2·38 were realized from duty and Re. 0·92 lakh from vend license fee. The whole of the receipts from duty were credited to the Punjab. In 1931-32, the revenue from vend license fee amounted to Rs. 1·51 lakhs compared with Rs. 1·04 lakhs in 1912-13.

313. *Distillery system and sources of supply.*—There were no distilleries in the Province. The distilleries in the Punjab supplied the requirements of the North-West Frontier Province, with the exception of small imports of Indian made Foreign Liquor from the Rosa Distillery in the United Provinces. No imports of country spirit proper were made from the United Provinces during the year, and the sum of Rs. 5,192 paid as still head duty in that province was mostly on account of coloured rum imported for the use of troops. In 1931-32, a sum of Rs. 7,917 was paid in the United Provinces on this account. In 1912-13, 71 gallons of methylated spirit were imported from the Rosa Distillery in the United Provinces.

314. *Rate of still-head duty.*—The rate of still-head duty payable on Country Spirit imported from the Punjab or the United Provinces in each of the years 1931-32 and 1932-33 was Rs. 7-8-0 per proof gallon. All other spirits so imported paid duty at the tariff rate of Rs. 17-8-0 per gallon. In 1912-13 the rate of still-head duty payable on country spirit from the Punjab or the United Provinces was Rs. 5 per proof gallon. While all other spirits so imported paid duty at the tariff rate of Rs. 9·37 per proof gallon.

315. *Whole sale vend.*—Wholesale licenses for the vend of country spirit to the public were issued at a fixed fee of Rs. 50 per annum, for each license. The wholesale licensee could obtain supplies of spirit from the distilleries in the Punjab or in the United Provinces, or from a wholesale vend depot established in the former province and could sell to wholesale and retail vendors in quantities of not less than two imperial gallons at a time. Wholesales licenses were, however, not much sought after, because the retail vendors preferred to obtain their supplies especially of cask liquor, direct from the Distillery, without the intervention of the wholesale licensees. In 1932-33, the number of licenses issued for the wholesale vend of country spirit was 1. In 1912-13, there were 5 licenses under this head.

316. *Retail vend.*—The number of shops for retail vend varied from time to time with the requirements of each District; new shops being opened and old ones closed, as circumstances required. Before the commencement of each financial year, the licenses for retail vend during the next year were, as a rule put up to auction separately, though the shops of the whole district or of any specified area within it were leased together, if this course appeared desireable. Monopolies of retail vend in certain cases were granted. No leases for a period in excess of one year were granted. The number of retail shops for the vend of country spirits in the years 1931-32 and 1932-33 was 26 and 28 as against 37 in 1912-13.

317. *Consumption and average taxation.*—The quantity of country spirit sold in the North-West Frontier Province in 1932-33 was 24,008 proof gallons as against 22,461 in the preceding year, and 24,296 proof gallons in the year 1912-13. The average consumption of country spirit per hundred of the population in 1912-13, 1931-32 and 1932-33 was 1·11, 0·90 and 1·00 proof gallons, respectively. The average taxation per proof gallon from vend fees only in 1932-33 was 3·85 as against 6·73 in the preceding year and 4·29 in 1912-13, adding to this the duty of Rs. 10 and Rs. 7-8-0 in 1931-32 and 1932-33 and Rs. 5 in 1912-13 per proof gallon, the total taxation per proof gallon amounted to 11·35 in 1932-33, as against 16·73 in 1931-32 and 9,29 in 1912-13.

Other Items.

318. *Indian fermented liquor.*—No Indian fermented liquors were used in the Province.

319. *Imported liquors.*—In the North-West Frontier Province, as elsewhere the Excise Revenue derived from foreign liquors consisted only of the license fees paid for the right of sale, the import duty on imported liquors being levied under the Indian Tariff Act and credited to Customs revenue. Still-head duty on Indian made foreign liquors, including beer, excised at tariff rates was realized in the province of production. A sum of Rs. 1·45 lakhs was recovered in the Punjab and the United Provinces on this account from the imports made into the North-West Frontier Province against Rs. 1·61 lakhs in the year 1931-32.

The receipts from fees for licenses to sell liquors by wholesale or retail in 1932-33 amounted to Rs. 38,498 against Rs. 42,782 in the preceding year and Rs. 45,000 in 1912-13.

320. *Vend arrangement and consumption.*—Sales of foreign liquors imported were as under :—

	1916-17.	1931-32.	1932-33.
	Rs.	Rs.	Rs.
Wines (Imperial gallons)	2,351	3,646	3,476
Malt Liquors	4,841	91,662	76,912½
Spirits	10,219	11,336	10,570

321. *Indian Beer.*—There was no brewery in the province but malt liquor was imported from the Murree Brewery in the Punjab on payment of duty at the place of production. 181,671 gallons of this liquor were sold during 1932-33 in the Province. In 1931-32 179,869 gallons of this liquor were sold as compared with 59,628 gallons in 1912-13.

322. *Medicated Wines.*—Medicated wines containing alcohol in quantities exceeding 10 per cent. but not exceeding 21 per cent. by weight (equivalent of 42 per cent. of proof spirit) were sold under licenses granted by Collectors, on payment of a fee of Rs. 50 per annum.

323. *Location of liquor shops.*—The number and sites of all licensed liquor shops are fixed annually by the Collector, but in practice few alterations either in number or site are made from year to year. In 1932-33, there were no local Advisory Committees in any district, but their place was taken by the Municipal Committees and District Boards. Before opeing a new shop, notice was given to the residents of the locality, in case they wished to show cause against the shop being opened.

324. *Offences and convictions.*—The total number of persons prosecuted for offences in respect of intoxicating liquors in 1932-33 was 28 against 18 in the previous year and 13 in the year 1912-13. The number of convictions was 23 in 1932-33, 13 in 1931-32 and 12 in the year 1912-13. The number of persons convicted for drunkenness in the Municipal Areas in the North-West Frontier Province, in 1932-33 and 1931-32, was 21 and 17 against 96 in the year 1912-13. Out of the 19 cases in 1932-33 tried for offences relating to intoxicating liquors, all related to illicit possession, sale or adulteration of country spirit.

325. *Administrative Agency.*—The province possessed no separate Excise Commissioner ; the office being merged in that of the Revenue and Divisional Commissioner. The Excise Administration of each district was in charge of an Assistant or Extra Assistant Commissioner, who however, also was not a whole-time officer. The preventive establishment consisted of an Excise Inspector and Excise Sub-Inspector and a few excise peons in each district. Dera Ismail Khan was, however, without an Inspector, while the Sub-Inspector of Kohat was entrusted with Customs and Tirni work and the supervision of a few Excise shops in Hangu Tahsil. The post of Excise Sub-Inspector in the Bannu District was retrenched as a measure of economy, in December 1931 and since then the Inspector has had to control both the district and North Waziristan Agency.

In the Peshawar District there were two travelling Sub-Inspectors to check smuggling of opium and charas from across the Mohmand and Swat borders, as also to supervise the liquor vends of Charsadda and Mardan Circles and Malakand Agency, respectively.

There was also a Superintendent of Excise, who supervised all branches of Excise and Customs in districts and Agencies of the North-West Frontier Province. He was also the Officer Incharge of the Excise Intelligence Bureau opened since 1913 to collect and collate information relating to the smuggling of exciseable articles within and outside the province. The Bureau forms a branch of the Revenue and Divisional Commissioner's office and the Superintendent, Excise is assisted by an Inspector of Excise.

326. *Incidence of Excise revenue per head.*—Calculated on the census figures of 1921 and the revenue figures given above, the average total of Excise Revenue realized in the province in 1932-33 was Re. 0-5-9 per head of population of which about 61·86 per cent. was derived from the manufacture or licensed vend of liquors.

In 1931-32, the average total excise revenue per head of population was Re. 0-6-3 of which 68·93 per cent. was derived from liquors against Re. 0-3-8 of which about 50 per cent. was derived from liquors) in 1912-13.

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CHAPTER XII.

DELHI.

327. *Excise revenue.*—The total excise revenue of the Delhi Province as realised under the following heads was Rs. 6·47 lakhs. This does not include Rs. 2·09 lakhs on account of still-head duty which was recoverable by book transfer from other provinces on spirits, etc. imported into Delhi during the year 1932-33.

Head.	Receipt in lakhs of rupees.	Percentage of total excise revenue.
1. Spirit made in British India	2·62	40·40
2. Imported spirit including country beer . .	0·44	6·80
3. Opium and its preparations	1·69	26·10
4. Hemp drugs	1·72	26·50
5. Fines and miscellaneous	nominal.	nominal.
	6·47	99·80
Still head duty from the Punjab and the U. P. .	2·09	..

The figures of the total excise revenue (excluding duty realised in other provinces) for the Delhi Province for the year 1932-33 compared with those of 1931-32 and 1912-13 are summarised as below :—

	1912-13.	1931-32.	1932-33.
1. Spirit made in India	1·53	1·61	2·62
2. Imported foreign spirit including beer .	0·22	0·47	0·44
3. Opium and its preparations . . .	0·72	1·83	1·69
4. Hemp drugs	0·68	2·11	1·72
5. Fines and miscellaneous	..	..	..
Total .	3·15	6·02	6·47

This memorandum is concerned only with the first two items above.

328. *Law regulating Liquor Traffic.*—The liquor traffic in the Delhi Province was regulated by the Punjab Excise Act, I of 1914, as applied to the Delhi Province and by rules framed thereunder.

Country Spirit.

329. *System and source of supply.*—There being no distillery in Delhi Province, all spirits consumed were imported from the Punjab and the United Provinces on payment of duty in those provinces. The country spirit revenue of the Delhi Province consisted of receipts from license fees and still-head duty realised from the exporting provinces by book transfer credit.

330. *Wholesale vend.*—The wholesale licenses for the sale of country spirit to the trade were issued at a fixed fee of Rs. 50 as was the system in 1931-32. The wholesale licensee could obtain his supply of spirit either from any of the distilleries in the Punjab, and the Rosa distillery in the United Provinces or from a wholesale vend depot situated within the Delhi Province. He could

sell to wholesale and retail vendors in quantities larger than one seer at a time. The number of wholesale licenses was 5 in 1912-13 and 3 in 1931-32 and 1932-33.

331. *Retail vend.*—The number of retail licenses for vend of country spirit during the year 1912-13 was 15 as against 10 during 1932-33. These licenses which as a matter of expediency were given on Tender Fee System in 1931-32 were disposed of by auction in 1932-33. The gallonage rate system of fees partly in force in 1930-31 and adopted for all the retail country liquor shops during 1931-32 was given up on the cessation of the anti-liquor agitation with a view to revert to the old system of auctioning shops which yielded better revenue to Government. Monopolies for retail vend of country spirit were not permitted to be formed. Licenses are disposed of for a term of one year only which terminates on the 31st of March each year.

The total consumption of country spirit, both plain and spiced, during the years 1912-13, 1931-32 and 1932-33 stood as follows :—

	1912-13. Gallons.	1931-32. Gallons.	1932-33. Gallons.
1. Plain country spirit	28,821	19,111	15,274
2. Spiced country spirit	3,694	3,794	10,480
Total .	32,505	22,905	25,754

332. *Consumption and average taxation.*—The average consumption of country spirit per 100 of population during the years 1912-13, 1931-32 and 1932-33 was 7·82, 4·51 and 5·06 proof gallons respectively.

The increase of 2,848 proof gallons in the sales of country spirit was due partly to a reduction in duty from Rs. 10 to Rs. 7-8-0 per proof gallon with effect from 1st April 1932, and partly to the re-adoption of the auction system for disposal of country-liquor licenses during 1932-33. The increase of 6,686 proof gallons in the sales of spiced spirit indicates that licensees attempted to stimulate its sale at the expense of plain country spirit which shows a decrease of 3,838 proof gallons. The object which the licensees had in view was to earn a better profit from spiced spirits (which is passed on to the consumers having an attractive colour and interesting trade label) in order to meet high license fees paid at the auction. The incidence per proof gallon of duty and vend fees respectively during the year 1912-13, 1931-32 and 1932-33 was as follows :—

	1912-13. Rs.	1931-32. Rs.	1932-33. Rs.
From duty	5·00	10·00	7·50
From vend fee	3·95	7·07	10·18
Total .	8·95	17·07	17·68

333. *Import of spirit from other provinces and duty realized thereon.*—During the year '28, 32·52 L. P. gallons of country spirit were imported from the Punjab into the province and the duty realised thereon amounted to Rs. 2,12,439. In addition, 1,303·7 proof gallons of Indian made foreign spirit paying a duty of Rs. 31,777-11-0, and 56·445 gallons of beer with a duty of Rs. 39,937-8-0 were also imported during the year 1932-33. The imports into the province from the United Provinces amounted to 30·2, 260·2 and 24·1 proof gallons of country spirit, Indian made foreign and rectified spirit respectively. The duty realised on these spirits amounted to Rs. 332-3-0

6,342-6-0 and 587-7-0 respectively. The figures of imports for the preceding year were as under :—

	Punjab.				United Provinces.			
	Proof gallons.	Duty. Rs.	A.	P.	Proof gallons.	Duty. Rs.	A.	P.
1. Country spirit	19033·4	1,90,334	0	0	*nil.*	*nil.*		
2. Indian made foreign spirit	1095	18,162	8	0	2262	38,467	7	0
3. Beer	519428 bulk gallons.	25,971	0	0	..	..		
4. Rectified spirit	..	..			26·8	539	4	0

During the year 1912-13 all imports of country and Indian made foreign spirit were made from the Punjab only.

Native fermented liquor was not made or sold in the province.

Foreign liquor.

334. The excise revenue derived in the province from foreign liquor consisted of license fees and still head duty on Indian made foreign spirit imported from the Punjab and the United Provinces.

A license for the wholesale or retail vend of foreign liquor to the trade was granted on payment of Rs. 50 per annum. The licensee could sell beer, medicated wines and all spirit coloured and sophisticated, whether imported or made in the country. The number of such licenses issued during the year 1931-32 and 1932-33 was 6 in each year against 5 in the year 1912-13.

335. *Retail vend.*—Licenses for retail vend of foreign liquor for consumption off the premises whether imported or manufactured in India, could be granted on a fee calculated on the recorded sales of the preceding year at Re. 1 per gallon for spirits and wines and 0-0-6 per gallon for beer. Licenses for consumption on the premises and L-8 licenses (supplementary license for retail vend of foreign liquor off the premises) were assessed at Rs. 4-8-0 per gallon for spirits, Rs. 1-8-0 for wines and 0-6-0 per gallon for beer. Canteen licenses were granted at a fee of Rs. 24 or Rs. 12 for a regiment or a unit respectively. Two bazar shops for the sale of foreign liquor were disposed of by auction with country spirit shops during the year 1932-33. The following table shows the number of licenses of each kind issued during the years 1912-13, 1931-32 and 1932-33.

	1912-13.	1931-32.	1932-33.
1. First class shops of approved respectability for "off consumption"	5	11	10
2. Shops in bazar	2	2	2
3. Hotels	7	14	13
4 Restaurants	3	9	10
5. Railway Refreshment rooms	1	1	1
6. Theatres, bars, etc.	9	59	57*
7. Dak Bungalow	1	1	1
8 Military Canteens	4	6	19
9. Dining car	..	1	..

* Includes 4 permanent cinema bar licenses in form L. 22-A.

The rates for assessment of fees calculated on the preceding year's sale noted above were applicable both to Indian made and imported foreign liquors.

336. *Sales and consumption of liquor.*—The quantities of foreign spirits, wines and beer sold wholesale and retail during the years 1912-13, 1931-32 and 1932-33 were as under :—

	Wholesale vend.			Retail vend.		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
Spirits	2,951	16,565	18,722	6,616	5,687	7,728
Wines	842	6,768	7,442	1,097	2,487	2,837
Beer	31,463	1,46,446	1,28,311	6,760	64,974	60,914

The increase under heads "Wines" and "Spirits" was due to a large supply having been made to clubs, and messes, under licenses in form L. 2 and smaller direct imports by these institutions from outside. Larger imports of beer by clubs and messes from outside were responsible for the decrease under "beer". The variations under retail vend were due to the fact that consumers of the adjoining districts of the United Provinces preferred to obtain their requirements from Delhi on account of the comparatively cheaper rates obtaining in Delhi.

The steady rise in consumption as compared with that for the year 1912-13 was due to a very large increase in the number of residents of the higher classes owing to the transfer of the seat of Government to Delhi.

337. *Receipts.*—License fees realised for licenses to sell foreign liquor both wholesale and retail in 1912-13, 1931-32, and 1932-33 amounted to Rs. 19,691, 47,817 and 44,462 respectively.

338. *Medicated wines.*—No license was required for the sale of medicated wines containing less than 20 per cent. of proof spirit. But medicated wines containing more than 20 per cent. of proof spirit could only be sold under a license on payment of Rs. 50 as license fee. There was no license for sale of medicated wines in 1912-13, while there were 5 such licenses in 1931-32 and 1932-33. Sales during 1931-32 were 28 gallons and during 1932-33 46 gallons. The small variation in sales calls for no remarks.

339. *Methylated spirit.*—With effect from 1st April 1932, a fee of Rs. 25 was fixed for licenses for possessing quantities up to 500 gallons at a time and a fee of Rs. 100 was imposed on licenses exceeding possession of 500 gallons at a time in accordance with the provisions of Chief Commissioner's Notification No. B. 37/32-Commerce, dated 2nd January 1932. The licenses falling under the former category were granted by the Collector and those under the latter by the Chief Commissioner. The number of licenses issued during the year 1912-13, 1931-32 and 1932-33 were 6, 47 and 47 respectively.

340. *Rectified spirit.*—Licenses for the sale of rectified spirit were granted by the Collector to the holders of licenses for the wholesale and retail vend of foreign liquor, and methylated spirit and to chemists and druggists of approved respectability at an annual fee of Rs. 25. These licenses authorised the possession of rectified spirit in quantities not exceeding 10 gallons, while the possession of larger quantities was subject to the Chief Commissioner's sanction.

Licenses for the possession of rectified spirit for use in the manufacture of drugs, medicines, and tinctures were also granted by the Collector to recognised medical practitioners. No fee was charged. The number of licenses issued during the year 1931-32 and 1932-33 was 5 and 7 respectively as against 2 in 1912-13.

Since 1924-25 a license for possession of rectified spirit at a reduced rate of duty of Rs. 5 per gallon was issued for the manufacture of tinctures, drugs and chemicals. The Modern Chemical Works, which is a new venture of its kind affords facilities to medical practitioners, charitable hospitals and dispensaries.

341. *Offences.*—The total number of persons arrested and convicted under the Excise and Opium Acts during the year 1932-33 was 110 and 118 against 55 and 45 in 1931-32. The number of persons arrested and convicted under these Acts during the year 1912-13 was 124 and 95 respectively.

342. *Administrative Agencies.*—The Chief Commissioner was the head of the Excise Administration in Delhi. The executive excise administration was in the special charge of an Extra Assistant Commissioner working under the control of the Collector and the preventive establishment consisting of an Excise Inspector and 3 Sub Inspectors working under the supervision of the Superintendent of Police, C. I. D.

343. *Average total Excise revenue.*—Calculated on the census returns of 1911, 1921 and 1931 the average excise revenue exclusive of still head duty of the Delhi Province for the year 1912-13, 1931-32 and 1932-33 worked out to Re. 0-12-2, 0-15-3 and 1-0-4, respectively.

344. *Excise Advisory Committee.*—A meeting of the Excise Advisory Committee was held during 1932-33. The advice of the Committee was followed so far as it did not interfere with excise policy.

CHAPTER XIII.

AJMER-MERWARA.

345. *Excise revenue.*—The Excise receipts for 1932-33 amounted to Rs. 6·31 lakhs made up as follows :—

Heads.	Receipts (in lakhs of rupees).	Percentage of total Excise revenue.
1. Country spirit	5·22	82·73
2. European liquors	0·03	0·47
3. Opium and its preparations	0·46	7·29
4. Hemp drugs	0·60	9·51
5. Miscellaneous (including fines and fo fe tu es)	..	..
6. Methylated spirits	..	..
Total	6·31	100·00

The total Excise Revenue in 1931-32 amounted to Rs. 6·38 lakhs against Rs. 3·52 lakhs in the year 1912-13.

In 1931-32 the revenue from country spirit was Rs. 5·23 lakhs and represented 81·98 per cent. of the total Excise receipts. In 1912-13 the country spirit receipts amounted to Rs. 3·03 lakhs and were 86·1 per cent. of the total Excise revenue during that year.

This memorandum is concerned only with the first two items.

346. *Law regulating liquor traffic.*—The Indian Excise Act (XII of 1896) was repealed by the Excise Regulation (I of 1915), which was brought into force on the 15th February 1925.

No separate Excise report was submitted. The annual Excise report formed part of the General Administration Report.

Country Spirit.

347. *Distillery system in force. Supply and wholesale vend arrangements.*—The district monopoly system formerly in force was superseded by the contract distillery system with effect from the 1st April 1908. Under the new system the privilege of manufacture and supply of country spirit throughout the district of Ajmer-Merwara was disposed of by tender, triennially subject to renewal at the option of the Collector for such further period, not exceeding two years, as he might determine. The successful tenderer, otherwise called the contract supplier, had the monopoly of supply of liquor to retail venders within the area of his contract. Some of the essential features of the contract were :

(1) The *arrack* supplied was distilled from *mahua* and *gur* at the Ajmer distillery, and was issued at the strengths of 25° under proof and 50° under proof at the rates specified in paragraph 348 below. No *gur* liquor was manufactured during the year the requisite quantity being imported from Cawnpore. The distillery and its appurtenances were the property of the distiller and contract supplier. He was required to equip

and maintain his distillery on a plan approved by the Collector of Excise, and was bound to make any alterations and additions which that officer considered necessary in the interests of the revenue. The distillery was under the charge of a responsible officer, whose duty it was to check carefully every detail in the process of manufacture, and to pass the spirits for consumption on payment of duty.

(2) The distiller was bound to provide house accommodation, the rent of which must not exceed a fixed sum, for the distillery officer and his staff, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

(3) The distiller was forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicants in his contract area.

(4) The distiller was also required to open wholesale shops (of which there were 5 in 1932-33) for the adequate supply of liquor within his contract area. Issues from wholesale shops were made only to other wholesale shops and independent shopkeepers in quantities of not less than 9 gallons and ½ a galllon, respectively. The wholesale shops were a necessary link between the distillery and the petty shopkeepers, who could not afford to purchase more than a few gallons at a time or go long distances to obtain liquor. The spirit in the wholesale shops was duty paid and no blending or reducing operations were permitted therein.

(5) On the termination of the contract at the end of three years it was open to the contract supplier to renew the contract for a further period of two years. Failing this, the incoming contract was required to take over at his contract rate any spirit of good quality that the out going contractor might have left in the distillery or wholesale shops not exceeding two months' supply of the contract area. The incoming contractor was also required to take over at a valuation made by the Collector, all such distillery buildings, plant, vessels, furniture, tools, instruments, etc., as the Collector considered expendient and necessary for the proper working of the distillery, and the out-going contractor was bound to hand over to the Collector or to the incoming contractor as the Collector might direct, all the distillery buildings, plant, etc., at the valuation made at the termination of the Contract by the Collector, or by such other officer as the Collector deputed.

348. *Still-head duty and consumption.*—The still-head duty was raised, with effect from the 1st April 1923, to Rs. 8 and Rs. 5-10 per L. P. gallon in the urban and rural area, respectively. In 1912-13 the rates of still-head duty were Rs. 4-6 per proof gallon in urban and Rs. 3-12 per proof gallon in rural areas. The contract rates at which spirits were supplied by the contract supplier were as under :—

	Per gallon of—					
	25° U. P.			50 U. P.		
	Rs.	A.	P.	Rs.	A.	P.
Mahua imported	1	2	0	0	12	0
Mahua manufactured at Ajmer	1	2	0	0	12	0
Gur	1	4	3	0	13	6
Aniseed	1	5	0	..		

In 1912-13, the contract supplier supplied spirits at the following rates :—

	25° U. P.	50° U. P.
	Rs. A. P.	Rs. A. P.
Mahua liquor	0 13 6	0 8 0
Gur liquor	0 15 0	0 9 6

The total issues from the distillery in 1932-33 amounted to 60,880 proof gallons, and the duty receipts therefrom were Rs. 5·22 lakhs including the receipts from vend fees amounting to Rs. 0·72 lakh. The average taxation per proof gallon was Rs. 8-9-1, of which Rs. 7-6-1 were derived from duty.

In 1931-32, the total quantity of spirit issued from the distillery was 61,029¾ proof gallons, against 51,780 proof gallons in 1912-13. The average consumption of spirit per 100 of population in 1912-13, 1931-32 and 1932-33 was 10·33, 10·89 and 10·86 proof gallons, respectively. The total receipts from spirit in 1931-32 amounted to Rs. 5·43 lakhs (4·50 from duty), against 3·03 lakhs (Rs. 2·13 lakhs from duty) in 1912-13. The average total taxation per proof gallon in 1931-32 was Rs. 8-8-11 against Rs. 5-13-8 in 1912-13.

349. *Retail vend arrangements.*—The right of retail vend of country spirit was sold by auction by separate shops. The independent shop-keepers were required to obtain all their liquor from the contract distiller, either direct or through the agency of the wholesale shops referred to in paragraph 348 above. In order to obviate the watering of liquor by shopkeeper and to facilitate the detection of smuggled liquor the independent shopkeepers were bound, as a condition of their licenses, to sell their liquor at the fixed issue strengths of 25° under proof and 50° under proof. The great bulk of the liquor sold was of the strength of 25° under proof.

The distiller could also prepare and sell in sealed bottles sweetened-*masala* liquor at strengths of 25° under proof and 50° under proof. This consisted of the raw *mahua* liquor to which sugar and other ingredients such as aniseed and cardamom were added. The demand for such liquor was small.

The total number of country spirit shops in 1912-13, 1931-32 and 1932-33 was 128, 109 and 111, respectively.

350. *Privileged private distillation.*—Certain *Tazimi Istimrardars* of Ajmer were allowed the privilege of distilling liquor from *mahua* or molasses, on their own premises and for their own consumption, under special licenses issued by the Collector. The liquor was required to be manufactured in a place open to inspection by the superior officers of the preventive establishment, and the total amount distilled was subject to a maximum limit fixed by the Collector. No charge was made for the privilege.

351. *Toddy*:—Drawing and selling of toddy has been stopped.

Foreign Liquors.

352. These include not only spirits and liquors imported from Europe but also sophisticated and flavoured spirits made from special bases which are taxed at the tariff rate of duty. No such liquors were manufactured in

Ajmer-Merwara. The Excise revenue therefrom was derived from vend fees. The scale of fees for the various licenses was as follows :—

	Per annum. Rs.
1. Wholesale vend	100
2. Retail vend	250
3. Canteen licenses	24 and 12
4. Refreshment room and hotel	100
5. Beawar retail vend	50
6. Deoli retail vend	50

Foreign liquors (except gin for which a strength of 35° under proof was prescribed) and denatured spirits kept for sale could not be weaker than 25° under proof. Liquors, whiskies and brandies selling at not less than Rs. 24 per gallon were, however, sold at strengths lower than 25° under proof.

When liquor was bottled in India the labels on the bottles had to show the fact of such bottling and the name of the bottler. Retail vendors of foreign liquors were not allowed to alter either the nature of their liquor or the labels under which they had purchased it on pain of forfeiture of their licenses.

The duty on Shahjahanpur rum consumed in Ajmer-Merwara was credited to the Central Government.

353. *Consumption and licenses.*—The statement below shows the consumption of imported foreign liquors and the total number of retail licenses, (including refreshment room and hotel, dak bungalow and dining car licenses, etc.) for the years 1916-17, 1931-32 and 1932-33.

Consumption in Imperial Gallons.

Year.	No. of licenses.	Spirits.	Wines.	Malt liquors.
1916-17	13	3,944	800	32,610
1931-32	14	2,213	694	25,532
1932-33	14	1,785	755	16,959

Location of Shops.

354. The sites of liquor shops were approved by the Collector, and shops were closed or their sites altered with reference to considerations of police administration and the public good generally. In municipal towns public opinion was also consulted before deciding upon the number and localities of shops. Shops were at all times open to inspection by the superior officer down to the rank of Sub-Inspectors.

Excise offences and convictions.

355. In 1912-13 the number of persons convicted for drunkenness in the municipal areas was 152, against 63 in 1931-32 and 67 in 1932-33. In 1931-32 the total number of cases under the Excise Regulation and the Opium Act was 43. In these cases 59 persons were implicated. 41 persons were convicted, 6 acquitted and 12 were under trial at the close of the year.

In 1932-33 the total number of cases under the Excise Regulations and the Opium Act was 40. In these cases 46 persons were implicated, of whom 33 were convicted, 8 acquitted or discharged and 5 were under trial at the close of the year.

Administrative Agency.

356. The Excise administration was conducted under the control of the Commissioner, by the Assistant Commissioner, who was Excise Collector for the entire district of Ajmer-Merwara. A small special preventive establishment was employed, the duties of which in respect to liquors were to repress illicit distillation or smuggling, and to see that sales at shops were in accordance with the conditions of the license. A Superintendent of Excise was appointed for controlling the distillery and preventive establishments.

Incidence of Excise revenue per head.

357. Calculated on the census figures of 1931 the average total Excise revenue per head of population in 1932-33 was Rs. 1-2-0, of which about 5/6th was debitable to liquors. In 1931-32, the average Excise revenue per head was Re. 1-2-2 (about 5/6th from liquors), against As. 11-3 (7/10th from liquors) in 1912-13.

CHAPTER XIV.

Coorg.

358. *Excise Revenue.*—The Excise Receipts for 1932-33 amounted to Rs. 2·65 lakhs as shown below and bore a percentage of 20·19 to the total gross Revenue of the Province :—

Heads.	Receipts in lakhs of Rupees.	Percentage of Total Excise Revenue.
Country Spirit	1·76	66·40
Toddy	·73	27·54
Imported liquors including Indian made foreign liquors	·02	·76
Beer	·03	1·13
Opium	·02	·76
Hemp Drugs	·07	2·65
Miscellaneous	·02	·76
Total	2·65	100·00

The total Excise receipts amounted to Rs. 2·60 lakhs in 1931-32 as against Rs. 2·47 lakhs in 1912-13. (Statement XI). The revenue from Country Spirit in 1931-32 was Rs. 1·96 lakhs and formed 75·38 per cent. of the total Excise Revenue. The corresponding figures for 1912-13 were Rs. 1·91 lakhs and 77·3 per cent. respectively. (Statements VII and VIII). The net revenue from Excise during the year shows an increase of 7·11 per cent. and 2·81 per cent. on the corresponding figures of 1912-13 and 1931-32.

The Memorandum is concerned only with the first four items.

359. *Law regulating Liquor traffic.*—In 1912-13, the Excise Act, XII of 1896 applied to Coorg. In 1931-32 and 1932-33, the Excise Regulation I of 1915, was in force.

360. *Country Spirit.*—Coorg had no separate distillery, Country Spirit was supplied under the Contract distillery system. Spirit, distilled from sugarcane jaggery, was imported under bond from Nellikuppam in the South Arcot District of the Madras Presidency. The contract for the supply and wholesale vend of spirit was disposed of by tender annually. The successful tenderer had the monopoly of supply to the retail vendors within the Province. The still head duty to be paid to Government was fixed, and tenderers were required to state at what rate they were prepared to supply spirit of certain fixed strength at fixed local stations in the Province.

The contract for the import and wholesale vend of Country Spirit during 1932-33 was granted to Messrs. Parry and Co. Ltd., Madras, the contractors of the Nellikuppam Distillery, who agreed to supply spirit of 30° under proof, at the fixed local centres at Rs. 1-14-0 per gallon over and above the duty of Rs. 6-6-6.

361. *Duty and Strength at issue.*—The rate of duty in 1932-33 was Rs. 10-2-3 per proof gallon as against Rs. 8-5-1 in 1931-32. The duty per proof gallon during 1912-13, was Rs. 5-10-0. The strength at which the spirit was sold to the public during 1932-33 and 1912-13, was 30° under proof as against

35 under proof in 1931-32. The duty payable on issues amounted to Rs. 1·17 lakhs in 1932-33 as against Rs. 1·32 lakhs in 1931-32 and Rs. 1·49 lakhs in 1912-13.

A Bonded Warehouse was established at Mercara in a Government building and a rental of Rs. 1,284 was charged during the year under report for its use by the supply contractors. The overproof spirit imported was reduced here to the required strength under Government supervision before issue for sale.

362. *Wholesale Depots.*—Wholesale depots were run by the contractors and their number was fixed by the Commissioner. There were four such depots in each of the years 1932-33, 1931-32 and 1912-13. The issue price at depots was Rs. 8-4-6 in 1932-33 per proof of 30° under proof as against Rs. 7-2-6 per gallon of 35° in 1931-32 and Rs. 4-14-6 per gallon of 30° under proof in 1912-13. The spirit kept in the wholesale depots was all duty paid.

363. *Retail Vend.*—The right of retail vend of Country Spirit was sold annually by public auction by separate shops throughout the Province. The wholesale contractors were forbidden to undertake or have any interest in retail transactions in respect of Country Spirit or other intoxicating liquors in their contract area. The retail shopkeepers were required to obtain the liquor from the nearest wholesale depot referred to above. The price of *arrack* at the retail shops was fixed at a flat rate of Rs. 9-9-0 per bulk gallon in 1931-32 and Rs. 10-10-0 in 1932-33. In 1912-13, the minimum retail price in towns where there were more than one shop was fixed at Rs. 5-8-0 per bulk gallon and at a maximum rate of Rs. 6-4-0 per gallon elsewhere.

364. *Number of shops.*—The number of shops for the retail sale of Country Spirit in both the years 1931-32 and 1932-33 was 27 against 33 in 1912-13.

365. *Consumption.*—The consumption of country spirit in 1932-33 was 11536·02 proof gallons compared with 16318·81 in 1931-32 and 26493 proof gallons in 1912-13. The average consumption of country spirit per hundred of population during the year 1932-33 was 7·06 proof gallons compared with 9·99 proof gallons in 1931-32 and 15·14 proof gallons in 1912-13. The average consumption in 1932-33 fell by 2·93 proof gallons compared with that of the preceding year, and by 8·08 as compared with that of 1912-13.

366. *Average Taxation.*—The receipts under vend licenses amounted to Re. 0·59 lakh in 1932-33 as against Re. 0·64 lakh in 1931-32 and Re 0·42 lakh in 1912-13. Adding to the 1932-33 figure the sum of Rs. 1·17 lakhs realised from duty, the receipts from Country Spirit amounted to Rs. 1·76 lakhs in 1932-33 as against Rs. 1·96 lakhs in 1931-32 and Rs. 1·91 lakhs in 1912-13. The total average taxation in 1932-33 amounted to Rs. 15-4-6 per proof gallon, of which Rs. 10-2-3 was derived from duty. The average taxation per proof gallon in 1931-32 was Rs. 12-3-7 (Rs. 8-5-1 from duty), and Rs. 7-3-4 (Rs. 5-10-0, from duty) in 1912-13.

367. *Toddy.*—Toddy (known in Northern India as *tari*) is the sap of the palm tree.

368. *Unfermented or Sweet Toddy.*—Unfermented toddy was not subject to any taxation ; but it had to be drawn in pots freshly, coated internally with lime to prevent fermentation. Licenses had to be obtained for the tapping of the trees for sweet toddy and they were issued free.

369. *Fermented Toddy.*—There was no tree tax system as in Madra

370. *Supply and Vend.*—The right of obtaining and selling toddy in each of a number of sanctioned shops was leased by auction yearly. The contractor could tap mature trees on Government lands free of charge, but had to make his own arrangements with private tree owners. The latter could draw toddy from their trees for their own consumption, but could not dispose of it otherwise or grant the right of tapping their trees except to the vend renter and for cash payment only. The limit of possession without a license could not in any case exceed four seers. The number of licenses for the retail sale of toddy in 1931-32 and 1932-33 was 42 as against 88 in 1912-13. Passes were granted to bakers on payment of one rupee per annum to obtain stale toddy from the retail shops for the manufacture of bread.

371. *Taxation.*—Rental realised at the auction sales of the retail shops was the only sorce of revenue under this head. The revenue realised in 1932-33 was Re. 0·73 lakh as against Re. 0·49 lakhs in 1931-32 and Re. 0·46 lakh in 1912-13.

Imported Liquors.

372. Excise revenue on imported liquors was derived only from licenses for the privilege of vend. Licenses for the wholesale and retail sale of imported liquors were granted on payment of a fixed fee of Rs. 240 and Rs. 120 per annum, respectively. The number of wholesale shops in 1932-33 was three against the same number in 1931-32 and one in 1912-13. The number of retail shops in each year 1932-33 and 1931-32 was 5 against 7 in 1912-13.

373. *Consumption.*—The statement below shows the consumption of imported liquors in each of the years 1912-13, 1931-32 and 1932-33.

Year.	Spirits in Imperial gallons.	Wines in Imperial gallons.	Malt Liquors in Imperial gallons.
1912-13	3,060	542	852
1931-32	1,647	155	1,458
1932-33	1,046	124	1,445

Country Beer, etc.

374. There were no breweries in Coorg. Beer required for consumption in Coorg was imported from the Bangalore brewery. Four shops were licensed for the sale of beer during the years 1932-33 and 1931-32 as against one in 1912-13. The licenses for shops were disposed off annually by auction. The rental realised in 1932-33 was Rs. 1,618-0-0 against Rs. 1,918-0-0 in 1931-32 and Rs. 100-0-0 in 1912-13.

375. *Duty on Beer.*—The duty on beer imported into Coorg was recovered at Bangalore and credited to Coorg revenues by book adjustment once in a quarter. The amount of duty realised in 1932-33 was Rs. 1,303-8-0 against Rs. 917-0-0 in 1931-32 and nil in 1912-13 as the arrangements referred to above were made only in 1925-26.

376. *Indian Made Foreign Liquor.*—Rules for the regulation of traffic in Indian made foreign liquor came into force on 1st January 1932. The Foreign Liquor Licensees were granted licenses for the privilege of vend in Coorg. No separate fee was charged for this privilege. The duty on Indian made foreign liquor imported into Coorg was recovered at Madras and credited to Coorg

revenues by book adjustment once in a quarter. The amount of duty realised in 1932-33 was Rs. 971-13-0 against nil in the previous year.

377. *Consumption.*—59·83 gallons of Indian made foreign liquor were imported during the year 1932-33.

General.

378. An Advisory Committee consisting of four official and five non-official members was first constituted in 1927. Its duties were to advise the Government regarding the number and location of shops and generally on matters connected with Excise. Prior to 1927, the location of shops was discussed with the Municipal Committees in the case of shops within the Municipalities and with the residents of the locality in case of shops in rural areas.

379. *Offences and convictions.*—The number of prosecutions instituted was 40 against 65 in the previous year and 61 in 1912-13. The following table gives the details of offences committed. Convictions were awarded in 35 cases compared with 62 in the previous year.

Year.	Smuggling of Ganja.	Illicit possession, distillation of Country Spirit.	Possession and sale of toddy without license.	Breaches of condition of license.
1912-13	3	26	31	1
1931-32	2*	53	8	2
1932-33	1*	35	4	..

112 cases of breaches of conditions of license were reported during the year. All these were compounded.

380. *Administrative Agency.*—The Excise Administration in Coorg was under the Commissioner. A whole-time officer at the Warehouse being found unnecessary, the Jailor of the Mercara Sub-Jail looked after the Warehouse. He was drawing a special pay of Rs. 30 per mensem for the additional work.

In 1932-33, there were one Excise Inspector and four Sub-Inspectors, the former with two peons and the latter with one peon each, for preventive purposes. Upto February 1932, all had two peons. The reduction was owing to retrenchment. The Police Sub-Inspectors were empowered under Section 54 of the Excise Regulation, to search without warrant, and the Parpattigars (Local Revenue Subordinates) under Section 51, to enter and inspect places of manufacture and sale of excisable articles. In 1912-13, one Excise Inspector with five Sub-Inspectors and twelve peon under him, formed the preventive staff.

381. *Any important new legislation or resolution or bill in the Legislative Council.*—There was no new legislation or resolution.

382. *Average Total Excise Revenue.*—Calculated on the census figures of 1931, the total Excise Revenue in 1932-33 formed an average of Rs. 1-9-11 per head of population, the bulk of which was derived by taxation on liquors. In 1931-32, the incidence of Excise Receipts per head amounted to Rs. 1-9-7 against Rs. 1-6-7 in 1912-13.

* Possession and sale of Ganja.

CHAPTER XV.

BALUCHISTAN.

383. *Excise Revenue.*—The excise receipts for 1932-33 amounted to Rs. 5·74 lakhs (inclusive of Rs. 27,121 realized by book transfer on account of duty on Indian made foreign liquors imported from other Indian Provinces), made up as follows :—

	Receipts (in lakhs of rupees).	Percentage of total excise revenue.
Country Spirit	3·26	56·8
Duty on Indian Made Beer	·76	13·2
Duty on Indian made foreign spirits	·34	5·9
Vend fees on foreign liquors	·14	2·5
Opium and its preparations	·55*	9·6
Hemp drugs	·69	12·0
Miscellaneous	Nominal	..
Total	5·74	100·0

In 1931-32 the total excise receipts amounted to Rs. 6·01 lakhs, against Rs. 2·79 lakhs in 1912-13. The revenue from country spirit during 1931-32 amounted to Rs. 3·46 lakhs, and represented 57·6 per cent. of the excise revenue. In 1912-13 the receipts from country spirit amounted to Rs. 1·65 lakhs, and formed 59·1 per cent. of the excise revenue.

This Memorandum is concerned only with the first four items.

384. *Laws regulating liquor and drug traffic.*—The Excise Regulation of 1915 was in force during the year 1931-32 and 1932-33 . In 1912-13 the Indian Excise Act, XII of 1896 was applied to the Agency. The Dangerous Drugs Act, 1930 (II of 1930), was enforced in British Baluchistan from 1st February 1931.

Country Spirit.

385. *Excise system in force.*—Up to the year 1909 the manufacture and vend of country spirit throughout Baluchistan (with the exception of Kalat State), were combined under a monopoly system. The monopoly rights were sold each year by auction, each district usually forming a separate farm, and manufacture was carried on under the out-still system. With effect, however, from the 1st October 1909, a contract Distillery system was introduced in the Quetta-Pishin, Sibi and (with the exception of tribal areas) Loralai, Bolan and Chagai Districts. Subsequently with effect from the 1st April 1914, the Hindubagh and Killa Saifulla Tahsils of the Zhob District (which can conveniently be served from the Quetta Distillery) were brought under the contract Distillery system, and the out-still system was re-introduced in the Musakhel Tahsil of the Loralai District, as the liquor required for consumption in this area could easily be procured from the still at Fort Sandeman. With effect from the 1st April 1930 the outstill was closed and the area served from the outstill was since served from the Quetta Distillery. The contract Distillery

* Includes Rs. 3,360 on account of sale proceeds of excise opium issued to the Kalat State.

system thus cover, an area of 46,960 sq. miles and a population of 4,08,284 according to the census figures of 1931. For the figures relating to outstill area for the year 1912-13 and 1929-30, see statement V.

386. *The Distillery system, Manufacture and Supply.*—The liquor required for consumption in the area under the Contract Distillery system, was issued from a Government Distillery at Quetta. The exclusive right to manufacture liquor at this Distillery was farmed out for a period of not less than two years and not exceeding four years, tenderers being invited to state the price per gallon at which they were prepared to supply the liquor to licensed venders and the holders of special permits referred to in paragraph 391 below.

The supply rates per gallon, during the years 1912-13, 1931-32 and 1932-33 were as follows :—

For liquor issued from the Quetta Distillery.

	Plain.			Flavoured.		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
10° U. P. . .	1 5 0	2 4 9	2 4 9	1 6 6	2 5 3	2 5 3
20° U. P. . .	1 0 6	2 0 6	2 0 6	1 2 6	2 1 0	2 1 0

For liquor issued from the Bonded Warehouse at Jhatpat in the Nasirabad Sub-Division of the Sibi District which was also supplied from the Quetta Distillery.

	Plain.			Flavoured.		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
10° U. P. . .	1 7 0	2 5 9	2 5 9	1 8 6	2 8 3	2 8 3
20° U. P. . .	1 2 0	2 1 0	2 1 0	1 4 0	2 1 0	2 1 0

The distiller was required to pay a fixed rent of Rs. 200 per mensem for the distillery. In 1912-13 the distiller had to pay Rs. 150 per mensem.

387. *Issue strength and duty.*—As stated above, liquor was issued from the Distillery at fixed strength of 10° and 20° under London Proof and was sold at those strengths ; liquor issued at the strength of 20° under proof was required to be coloured red ; that issued at the higher strength of 10° under proof was un-coloured. There was an Inspector in charge of the Distillery whose duty it was to control the manufacture and supply of the liquor. Issues for consumption in the Nasirabad and Kachhi Railway Sub-Division were made through a Bonded Warehouse established at Jhatpat, and those for consumption elsewhere on payment of duty before the liquor was taken out of the Distillery. The minimum quantity allowed to be issued from the distillery at a time was 5 gallons and from the Bonded Warehouse at Jhatpat 2

gallons. On issues for consumption by the general public, still-head duty at the rates specified below was charged :—

When issued for consumption in the Quetta Town :—

1912-13	1931-32 and 1932-33.		
Rs. A. P.	Rs. A. P.		
5 0 0	9 9 0	per gallon of 10°	under proof
4 7 0	8 8 0	Ditto. 20°	Ditto.

When issued for consumption in the Nasirabad and Kachhi Railway Sub-Division :—

1912-13.	1931-32 and 1932-33.		
Rs. A. P.	Rs. A. P.		
3 8 0	6 2 0	per gallon of 10°	under proof
3 2 0	5 8 0	Ditto. 20°	Ditto.

When issued for consumption in other areas :—

1912-13.	1931-32 and 1932-33.		
Rs. A. P.	Rs. A. P.		
4 0 0	9 9 0	per gallon of 10°	under proof
3 8 0	8 8 0	Ditto. 20°	Ditto.

388. *Vend arrangements.*—There were two kinds of vend licenses, wholesale and retail. Wholesale Vendors could sell liquor to retail vendors only, the license fee, which was usually nominal, being fixed by the Revenue Commissioner. The right to sell liquor by retail was sold by public auction, for each shop separately the number of shops being determined beforehand. Maximum rates at which retail vendors could sell liquor were fixed by the Revenue Commissioner.

Two wholesale and 42 retail licenses in the distillery areas were issued during the year 1932-33 against two and 43 issued during the year 1931-32 There were one wholesale and 47 retail licenses in 1912-13.

389. *Special issues to troops.*—Special arrangements made for the supply of liquor, coloured brown with Caramel, of a strength of 20° under proof from the Distillery at Quetta to Indian Regiments stationed in Baluchistan were discontinued with effect from 1st November 1930.

390. *Special permits for private consumption.*—Special permits could also be granted by Political Agents or Officers specially authorised by them, not being below the rank of Extra Assistant Commissioner, to persons of known respectability, under which they could obtain either direct from the Distillery or through a retail (but not wholesale) vendor specially manufactured liquor in quantities not exceeding 9 gallons at a time, for their private consumption. If such liquor was obtained direct from the distillery, stillhead duty was levied upon it at the enhanced rates of Rs. 13-6-0 and Rs. 12-1-0 per gallon of spirits of the strength of 10° and 20° underproof respectively. These were the rates of duty in 1932-33 also. In 1912-13 stillhead duty was charged at the rate of Rs. 5-8-0 and Rs. 4-15-0 per gallon of spirit of the strength of 10° and 20° under proof respectively.

391. *Issues and average taxation.*—The issues from the distillery during 1932-33 amounted to 26,055 and 760 gallons of the strength of 10° and 20° under proof respectively, equivalent to 24, 057·5 gallons London Proof. The revenue realised from duty amounted to Rs. 2·53 lakhs and that from vend fees, to Re. 0·71 lakh. The average taxation was Rs. 13·46 per proof gallon of which Rs. 10·50 were derived from duty.

In 1931-32 the total quantity of spirit issued in distillery areas was 25,774·3 gallons London Proof compared with 23,599 gallons London Proof in 1912-13. The total receipts from spirit amounted to Rs. 3·46 lakhs in 1931-32 and Rs. 1·57 lakhs in 1912-13. The average taxation per proof gallon in 1931-32 was Rs. 13·34 (Rs. 10·55 from duty), compared with Rs. 6·65 (Rs. 5·01 from duty) in 1912-13.

The total consumption of country spirit in the Agency was 24,057·5 proof gallons in 1932-33 against 25,774·3 in the preceding year and 25,072 proof gallons in 1912-13. The average consumption of country spirit per 100 of the total population in the years 1912-13, 1931-32 and 1932-33 was 6·05, 6·31 and 5·89 gallons respectively. Thus there was a decrease of 6·66 per cent. in the consumption as compared with that of 1931-32 while there was a decrease of 2·64 per cent. in that of 1912-13.

Indian made foreign spirit.

392. *Manufacture and Duty.*—Country liquor made in the Quetta Distillery and coloured brown with caramel so as to resemble rum was issued to Indian regiments in Baluchistan at a concession rate of duty of Rs. 7 per gallon of 20° U. P. From the 1st November 1930, however, this concession was withdrawn and the rum so manufactured was treated as Indian-made Foreign liquor and a duty of Rs. 17-8-0 per London Proof gallon was charged on it. From the 20th March 1931 this duty was enhanced to Rs. 24 per London Proof gallon and again from 1st November 1931 to Rs. 24-6-0 which remained in force during 1932-33. 381·8 proof gallons of rum were issued from the Quetta Distillery during 1932-33 against 217·5 gallons London Proof in the previous year.

Indian made foreign liquor was allowed to be imported from United Provinces and Punjab on prepayment of duty in those provinces for subsequent transfer to the Baluchistan by book adjustment.

Foreign liquors.

393. *Vend arrangements.*—Foreign spirits and fermented liquor (including rum and beer whether imported from Europe or made in India after European methods) were sold under wholesale and retail licenses, granted by Political Agents and Deputy Commissioners. Wholesale licenses were granted on payment of fixed fees varying from Rs. 50 to Rs. 300 per annum according to local circumstances ; and additional fee of Rs. 50 to Rs. 100 per annum being charged for the privilege of bottling. Retail licenses permitting sale for consumption off the premises were granted on payment of fixed fees varying from Rs. 50 to Rs. 500 per annum, Rs. 12 being charged in the case of a special season license for the Ziarat Bazar. One retail license for consumption on the premises only, was sold in the town of Quetta by public auction annually, but if the bid was lower than Rs. 600, no such license was issued. Hotel, Refreshment Room (other than Railway Refreshment Room) and billiard room licenses were issued on payment of fees varying from Rs. 25 to Rs. 700 per annum. There were also Railway Refreshment Room and Dak Bunglow licenses and special licenses issued under the military canteen tenant system, all at lower rates.

Sometimes temporary bar licenses for the sale of liquor for a period not exceeding six days, were granted at the discretion of the Political Agent or Deputy Commissioner, the minimum fee charged for them being Rs. 4 per diem. The fee for Dak Bungalow licenses varied from Rs. 12 to Rs. 25 per annum.

Sixteen wholesale and 28 retail licenses (including one for consumption on the premises) for the vend of foreign liquors, were issued during the year 1932-33 compared with 15 wholesale and 28 retail licenses in the preceding year and 5 wholesale and 16 retail licenses in 1912-13. In 1932-33 there were also 16 hotel and 12 refreshment room and dak bungalow and 21 military canteen and 8 temporary stall licenses. Forty four licenses were issued for the sale of denatured spirits in 1932-33 against 44 in the preceding year, compared with 12 licenses in 1912-13.

394. *Consumption.*—The cosumption of foreign liquors (imported) in 1931-32 and 1932-33 is compared in the following table :—

Description.	In Imperial gallons.	
	1931-32.	1932-33.
(*a*) Wines	1,878	1,662
(*b*) Spirits	6,995	5,439
(*c*) Beer	74,005	72,248

395. *Beer etc.*—Breweries could be established subject to the necessary rules and restrictions for safeguarding Government revenue, the beer passed out therefrom being excised at As. 8 upto 25th March 1931 and As. 12 afterwards per Imperial gallon. An Excise Officer had to be stationed at the Brewery to supervise operations, and in that case the brewer was bound to provide him with quarters, but his pay was a Government charge. No fee was charged for a brewery license. There was only one brewery in this Province. It belonged to the Murree Brewery Company, and was situated at Kirani near Quetta. The consumption of Indian made beer in 1932-33 was 1,04,925 Imperial gallons, against 1,16,372 in 1931-32.

396. The brewers were granted separate licenses for the wholesale vend of fermented liquors manufactured at their brewery only on payment of a fee ranging from Rs. 50 to Rs. 300 per annum. One such license was taken out during the year 1932-33. Retail licenses for the sale of foreign fermented liquors (imported as well as locally manufactured) for consumption on the premises only, were sold by auction and the special sanction of the Revenue Commissioner was required when the fees bid for them fell below Rs. 300. Two such licenses, issued in the Quetta Town during 1924-25 remained in force during 1932-33.

Location of shops.

397. Except at Quetta there was no town or bazar in the Province in which there was an Advisory Committee. The Advisory Committee at Quetta consisted of 4 non-official and 3 official members, but its functions were merely Advisory, and no powers were delegated to it. All questions connected with the reduction and location of shops and the hours of sale and other kindred matters were referred to it. Elsewhere the number and location of excise shops were carefully supervised by the local authorities, and the local Panchayats were consulted when any change was thought necessary.

398. *Offences and convictions.*—The number of persons convicted for drunkenness in Baluchistan during 1912-13, 1931-32 and 1932-33 was 65, 53 and 19 respectively. Country liquor in small quantities was illicitly imported from the Kalat State. Five cases of smuggling of country liquor were detected during the year.

Administrative Agency.

399. Excise arrangements were worked by the District Officers under the supervision of the Revenue Commissioner. Besides the Distillery Inspector referred to in paragraph 388 above, three Excise Inspectors were appointed, one Excise Inspector for the Quetta-Pishin and Chagai Districts, one for Sibi and Bolan District and the third for the Loralai and Zhob Districts. A Superintendent of Excise was appointed for controlling the distillery and preventive establishments.

Average total excise revenue.

400. Calculated on the census figures of 1931, the total average excise revenue (excluding Rs. 3,360 on account of sale proceeds of opium issued to the Kalat State) per head of population in 1932-33 worked out to Rs. 1·40 of which about 4/5th was contributed by liquors. In 1931-32 the average excise revenue was Rs. 1·47 per head, compared with Re. 0·67 in 1912-13.

CHAPTER XVI.

STATEMENTS.

Numbers I—XI.

STATEMENT I.

Statement showing consumption (issues) of country spirit during 1912-13, 1931-32, and 1932-33 and the percentage of increase or decrease over the figures of 1912-13 and 1931-32.

[In L. P. Gallons.]

Province.	Absolute consumption of country spirit during			Average consumption of country spirit per 100 of the population calculated on the census figures of 1911 and 1931.			Percentage of increase (+) or decrease (—) of consumption during 1932-33 over the figures of	
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.
Madras Presidency	1,773,673	980,633	934,255	4·28	2·10	2·00	—53·27	—4·76
Bombay Presidency Proper	2,630,869	1,037,389	1,055,627	16·30	5·76	5·86	—64·04	+1·73
Sind	228,204	73,536	79,430	6·49	1·80	2·04	—65·19	+8·02
Bengal Presidency	851,534	327,202	271,005	1·87	0·65	0·54	—61·57	+11·0
Burma	57,391	50,897	44,256	0·47	0·35	0·30	—22·89	—13·05
Bihar and Orissa	1,157,636	557,525	455,763	3·36	1·51	1·32	—60·7	—18·3
United Provinces	1,689,932	284,217	443,403	3·61	0·62	0·92	—73·76	+56·01
Punjab	419,932*	241,328*	281,842	2·14	1·02	1·19	—32·8	+16·7
Central Provinces and Berar	1,201,346	195,446	188,289	8·63	1·26	1·20	—84·32	—3·66
Assam	247,363	173,610	153,053	3·68	2·15	1·89	—38·1	—11·8
N.-W. F. Province	24,296*	22,461*	24,008	1·11	0·90	1·00	—1·19	+6·44
Delhi	32,505	22,905	25,754	7·82	4·51	5·06	—35·29	+12·19
Ajmer-Merwara	51,780	61,029	60,880	10·33	10·89	10·86	+5·13	—0·27
Coorg	26,493	16,318	11,536	15·14	9·99	7·06	—56·45	—29·31
Baluchistan	25,072	25,774	24,057	6·05	6·31	5·89	—2·64	—6·66
TOTAL	10,418,026	4,070,270	4,052,158	4·27	1·15	1·12	—61·1	—0·44

* These figures represent sales, not issues.

STATEMENT II.

Classified statement showing consumption of potable foreign liquors during the years 1916-17, 1931-32 and 1932-33 and the total number of licenses (bazars, hotels, restaurants, dining cars, etc., including temporary, special and canteen licenses for the retail sale of these liquors.

Province.	1916-17.					1931-32.					1932-33.				
	Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.	
				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).
Madras Presidency	503	145,083	28,340	792,413		596	110,766	21,703	421,362	324,551	612	(a) 92,081	17,641	430,600	254,576
Bombay Presidency Proper.	372	282,681	64,098	717,849		1,176	145,099	31,460	937,676	10,477	1,306	124,403	29,463	927,655	8,561
Sind	74	39,110	4,621	76,610		340	21,069	4,735	258,668	1,729	367	19,456	4,102	224,573	1,080
Bengal Presidency	544	213,444	39,056	247,478	48,030	630	146,198	29,869	474,220	...	523	140,935	24,122	478,462	13,213
Burma	324	67,200	280	3,120	191,868	674	(b)	(b)	(b)	150,011	762	(b)	(b)	(b)	185,701
Bihar and Orissa	140	14,352	3,912	22,763	...	305	16,013	3,915	71,072	11,670	246	16,254	4,193	75,010	5,931
United Provinces	540	65,388	27,338	118,781	125,261	1,039	56,385	24,194	233,195	234,456	1,116	52,860	25,511	199,175	264,513
Punjab	395	35,023	10,871	68,276	1,191,515*	607	46,671	15,495	212,741	423,155	621	41,818	14,840	204,658	390,787
Central Provinces and Berar (c).	85	27,643	4,707	169,870	38,844	187	5,541	831	54,513	47,767	187	3,753	679	54,766	33,324
Assam	104	(b)	3,228	20,239	...	122	20,159	6,209	35,428	...	123	13,395	2,992	28,924	...
North-West Frontier Province.	69	10,219	2,351	4,841	386,136	209	11,336	3,646	91,602	179,869	78	3,476	10,570	76,912	181,671
Delhi	28	7,819	1,556	7,469	1,844	101	8,219	3,472	41,120	46,546	113	7,728	2,837	38,230	45,376
Ajmer-Merwara	13	3,944	800	32,610	20	14	2,069	694	25,532	...	14	1,679	755	16,959	..
Coorg	9	3,060	542	852	(b)	8	1,647	155	1,458	1,834	8	1,046	124	1,445	1,738
Baluchistan	41	(b)	(b)	(b)	(b)	91	8,251	1,873	74,005	116,372	87	7,327	1,662	72,248	104,925
TOTAL	3,241	914,966	191,700	696,319 / 4,266,714	1,983,518	6,101	599,964	148,251	2,932,652	1,558,437	6,143	526,211	139,490	2,824,617	1,491,426

* Includes exports to other provinces.

(a) Figures given in imperial gallons. (b) Information not available. (c) Figures relate to calendar years except in the case of 1916-17.

NOTE.—Figure for the year 1916-17 have been substituted for those relating to 1912-13 (which has been adopted as the basic year in other statements) as the figures for the latter year are not reliable.

STATEMENT III.

Statement showing number of country spirit shops (in distillery as well as out-still area) per 100,000 of population and the average area per shop during the years 1912-13, 1931-32 and 1932-33.

Province.	Total number of country spirit shops during			Average area per country spirit shop (in sq. miles) during			Number of country spirit shops per 100,000 during		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
Madras Presidency	8,976	5,568	5,557	15·86	25·60	25·65	21·68	11·90	11·88
Bombay Presidency Proper	2,114	1,619	1,652	35·95	47·69	46·74	13·10	9·00	9·18
Sind	249	102	109	183·70	450·28	421·38	7·09	2·62	2·79
Bengal Presidency	1,287	919	909	61·15	78·90	77·06	2·83	1·84	1·84
Burma	130	216	216	1,775·68	1,081·97	1,081·97	1·07	1·47	1·47
Bihar and Orissa	2,088	1,547	1,598	39·84	53·68	51·97	6·05	4·10	4·24
United Provinces	4,742	2,198	2,574	22·62	48·36	41·28	10·13	4·84	5·32
Punjab	795	661	682	125·50	134·80	130·60	4·06	2·80	2·90
Central Provinces and Berar	3,759	1 950	1,912	26·56	51·21	52·40	27·01	12·57	12·33
Assam	188	215	239	282·00	235·45	211·80	2·80	2·47	2·96
N.-W. F. Province	37	26	28	362·65	516·10	480·88	1·68	1·15	1·17
Delhi	15	10	10	(a)	57·80	57·80	4·00	1·57	1·57
Ajmer-Merwara	128	109	111	21·18	24·67	24·42	25·52	19·45	19·81
Coorg	33	27	27	47·94	58·91	59·00	18·86	16·53	16·53
Baluchistan	62	43	42	874·65	1,092·09	1,118·09	14·96	10·53	10·29
TOTAL	24,603	15,210	15,659	44·3	71·66	70·00	10·09	4·30	5·80

(a) Not available.

STATEMENT IV.

Statement showing number of country spirit and tari shops in 1912-13, 1931-32 and 1932-33, respectively, and percentage of increase (+) or decrease (—) compared with the years 1912-13 and 1931-32.

Province.	Number of country spirit shops during			Percentage of increase (+) or decrease (—) of the number of country spirit shops over that of the year.		Number of shops for retail sale of tari or other country fermented liquors during			Percentage of increase (+) or decrease (—) of the number of tari, etc., shops over the figures.	
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.
Madras Presidency	8,976	5,568	5,557	—38·09	—0·20	14,478	9,797	9,901	—31·61	+1·05
Bombay Presidency Proper.	2,114	1,619	1,652	—23·41	+2·04	2,872†	1,055	1,055	+1·24	0·09
Sind	249	102	109	—56·22	+6·86	4	9	9	+125·00	Stationary
Bengal Presidency	1,287	926	916	—28·05	—0·75	2,260	1,627	1,602	—29·11	—1·53
Burma	130	216	216	+66·15	..	1,09[illegible]	817	820	—25 32	+0·37
Bihar and Orissa	2,088	1,547	1,59[illegible]	—22·47	+3·30	8,012*	6,094	6,594	—17·70	+8·20
United Provinces	4,742	2,198	2,574	—45·72	+17·11	3,023	1,631	1,616	—46·54	—0·92
Punjab	795	661	682	—16·50	+3·10	25	23	25	..	+8.70
Central Provinces ad Berar.	3,759	1,950	1,912	—49·13	—1·70	493	335	332	—32·66	—0·89
Assam	188	215	239	+27·12	+11·16	23	11	11	—52·17	..
N.-W. F. Province	37	26	28	—29·73	+7·14	..	..	..	..	..
Delhi	15	10	10	—33·30	..	..	..	..	..	..
Ajmer-Merwara	128	109	111	—13·28	+1 83	..	..	..	..	..
Coorg	33	27	27	—18·18	..	88	42	42	—52·27	..
Baluchistan	62	43	42	—32·26	—2·33	2	..	..	—100·00	Stationary
TOTAL	24,603	15,217	15,659	—36·30	+3·00	32,378	21,441	22,007	—32·00	+2·60

* The shop licenses figures exclude domestic consumption and hawking licenses for the sale of fresh (unfermented) tari.
† Includes "Tree Foot Booths" shops proper 1,042.

STATE

Statement showing percentage of area under the out-still system and the percentage of

Province.	1912-13.					
	Population in thousands.	Population (in thousands) served by out-still.	Percentage of population served by out-still	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
	1911.	1912-13.	1912-13.	1911.	1912-13.	1912-13.
	1	2	3	4	5	6
Madras Presidency	41,405	1,410	3·41	142,330	18,847	13·24
Bombay Presidency Proper . . .	16,137	22	0·14	75,933	805	1·06
Sind	3,513	...	...	46,986	...	...
Bengal Presidency	45,483	5,240	11·52	78,699	6,635	8·43
Burma	12,115	615	5·08	230,839	18,462	8·00
Bihar and Orissa	34,490	7,020	20·35	83,181	30,882	37·13
United Provinces	46,807	1,817	3·88	107,267	14,594	13·60
Punjab	19,579	...	...	99,779*	...	...
Central Provinces and Berar . . .	13,916	1,442	10·36	99,823	20,580	22·62
Assam	6,714	644	9·59	53,015	14,157	26·70
North-West Frontier Province . . .	2,197	...	...	13,418	...	...
Delhi	413	...	...	578	...	...
Ajmer Merwara	501	...	...	2,711	...	...
Coorg	175	...	...	1,582	...	...
Baluchistan	414	70	16·90	54,228	10,315	19·02
TOTAL .	243,859	18,280	7·50	1,089,791	135,277	12·41

* Including Delhi. ‡ Figures relate to calendar years except in the case of 1912-13.

MENT V..

population served by it during the years 1912-13, 1931-32 and 1932-33.

1931-32.						1932-33.					
Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still.	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.	Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
1931.	1931-32.	1931-32.	1931.	1931-32.	1931-32.	1931.	1932-33.	1932-33.	1931.	1932-33.	1932-33.
7	8	9	10	11	12	13	14	15	16	17	18
46,740	1,568	3·35	142,277	17,267	12·14	46,740	1,568	3·35	142,277	17,267	12·14
17,992	16	0·09	77,221	304	0·39	17,992	16	0·09	77,221	304	0·39
3,896	...	0·05	45,929	...	...	3,896	...	...	45,929	...	...
50,192	...	...	71,705	...	...	50,192	...	...	71,705	...	...
14,667	51	0·35	233,707	1,409	0·60	14,667	51	0·39	233,707	1,409	0·60
37,678	876	2·32	83,054	6,582	7·92	37,678	3,887	8·99	83,054	16,273	19·59
48,409	1,787	3·68	106,248	12,739	11·95	48,409	1,873	3·87	106,248	10,773	10·14
23,581	...	...	89,263	...	...	23,581	...	...	89,263	...	...
15,505	248	1·57	99,876	4,028	4·93	15,505	189	1·22	99,876	4,243	4·25
8,671	607	7·00	50,622	11,478	22·67	8,671	607	7·01	50,622	11,478	22·60
2,388	...	...	13,465	...	...	2,388	...	...	13,465	...	...
635	...	...	578	...	...	635	...	...	578	...	...
495	...	...	2,711	...	...	495	...	...	2,711	...	...
133	...	...	1,593	...	...	163	...	...	1,593	...	...
408	...	...	46,960	...	...	408	...	...	46,960	...	...
271,520	5,148	1·89	1,062,499	54,707	5·14	271,520	7,691	2·40	1,062,499	61,747	5·80

STATEMENT VI.

Statement showing the average total taxation both from duty and vend fees on country spirit per proof gallon in distillery areas during 1912-13, 1931-32 and 1932-33.

Province.	Average taxation per proof gallon of country spirit during								
	1912-13.			1931-32.			1932-33.		
	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras Presidency	5 12 0	2 3 7	7 15 7	9 9 3	6 2 11	15 12 2	9 9 7	5 8 0	15 1 7
Bombay Presidency proper	5 1 6	0 10 4	5 11 10	10 5 3	6 4 1	16 9 4	9 15 8	6 3 0	16 2 8
Sind	5 6 4	0 12 9	6 3 1	13 8 4	5 1 6	18 9 10	10 13 11	6 15 7	17 13 6
Bengal Presidency	4 7 10	2 5 0	7 6 10	13 8 0	1 12 2	15 4 2	13 8 0	1 11 0	15 3 0
Burma	4 4 0	1 14 8	6 2 8	7 4 8	4 0 6	11 2 2	7 7 3	3 12 6	11 3 9
Bihar and Orissa	1 15 8	1 4 10	3 4 6	4 15 10	2 12 9	7 12 7	4 11 6	3 8 7	8 4 1
United Provinces	3 3 4	1 10 10	4 14 2	10 4 4	4 4 6	14 8 10	7 11 6	4 15 10	12 11 4
Punjab	5 0 0	3 9 10	8 9 10	10 0 0	4 11 4	14 11 4	7 8 0	4 5 5	11 13 5
Central Provinces and Berar*	3 11 3	2 8 1	6 3 4	8 5 3	5 14 11	14 4 2	6 14 3	4 8 8	11 6 11
Assam	3 2 1	2 7 3	5 9 4	5 8 11	3 13 1	9 6 0	5 12 11	2 15 8	8 12 7
N.-W. F. Province	5 0 0	4 4 6	9 4 6	10 0 0	6 11 8	16 11 8	7 8 0	3 15 0	11 7 0
Delhi	5 0 0	3 5 3	8 15 3	10 0 0	7 1 1	17 1 1	7 8 0	10 2 10	17 10 10
Ajmer-Merwara	4 1 10	1 11 10	5 13 8	7 5 11	1 3 0	8 8 11	7 6 1	1 3 0	8 9
Coorg	5 10 0	1 9 4	7 3 4	8 5 1	3 14 6	12 3 7	10 2 3	5 2 3	15 4 6
Baluchistan	5 1 4	1 9 1	6 10 5	10 8 10	2 12 8	13 5 6	10 8 0	2 15 4	13 7 4

* Figures relate to calendar years except in the case of 1912-13.

STATEMENT VII.

Statement showing revenue derived from country spirit (excluding revenue from country spirit issued to Indian States) during the years 1912-13, 1931-32 and 1932-33 and the percentage of increase (+) or decrease (—). [In lakhs of rupees.

Province.	Revenue from country spirit during									Percentage of increase (+) or decrease (—) of total revenue during 1932-33 compared with the figures of	
	1912-13.			1931-32.			1932-33.				
	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	1912-13.	1931-32.
Madras Presidency.	141·33	3·14	144·57	152·52	2·10	154·62	141·61	1·94	143·55	—0·71	—7·16
Bombay Presidency proper.	145·75	0·08	145·83	172·20	0 36	172·56	170·70	0·45	171·15	+17·36	—0·81
Sind	14 13	..	14 13	13·69	..	13·69	14·17	..	14·17	+0·28	+3·51
Bengal Presidency	63·27	0 83	64·10	45·94	..	49·94	41·29	..	41·29	—22·21	—8·65
Burma	4·14	0·60	4·14	6·33	0·05	6·38	5·41	0·11	5·60	+35·27	—12·23
Bihar and Orissa	37·96	16 11	54·07	43·48	1·23	44·71	57·63	5·14	42·80	—20·85	—4·27
United Provinces	82 60	1·46	84·06	41·38	1·86	43·24	56·37	1·74	58·11	—30·87	+34·40
Punjab	41·61	..	41·61*	42·58	..	42·58	40·82	..	40·82	—1·80	—4·10
Central Provinces and Berar.†	74·59	2·63	77·5	27·45	0·43	27·88	21·55	0·23	27·78	—35·61	—43·95
Assam	13·81	0·26	14·07	16·30	0·89	17·19	13·45	0·89	14·35	+1·90	—16·50
N.-W. F. Province	2·23	..	2·23	3·84	..	3·84	3·30	..	3·30	+32·44	—16·36
Delhi	1·52	..	1·52	1·62	..	1·62	2·62	..	2·62	+72·30	+61·70
Ajmer-Merwara	3·03	..	3·03	5·23	..	5 23	5·22	..	5·22	+72·27	—0·19
Coorg	1·91	..	1·91	1·96	..	1·96	1·76	..	1·76	—8·38	—1·02
Baluchistan	1·57	10·08	1·65	3·46	..	3·46	3·26	..	3·26	+97·58	—5·78
TOTAL	628·95	25·22	654·17	581·98	6·92	588·90	579·27	10·50	589·77	—9.80	+0·20

*Including Delhi.

†Figures relate to calendar years except in the case of 1912-13.

STATEMENT VIII.

Statement showing the average Excise revenue per head of population, the total Excise revenue, expenditure under Excise and the net receipts from Excise during the years 1912-13, 1931-32 and 1932-33.

Province.	Average Excise revenue per head of population (to the nearest pie). 1			Gross Excise revenue (in lakhs of rupees). 2			Total charges under Excise (in lakhs or rupees). 3			Net revenue from Excise. (in lakhs of rupees). 4		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
	Rs. a. p.	Rs. a. p.	Rs. a. p.									
Madras	0 12 9	0 14 7	0 14 7	330·29	426·48	427·62	18·13	37·69	34·24	312·16	388·79	393·39
Bombay Presidency Proper §§	1 2 0	1 9 3	1 9 9	188·65	293·71	‖323·32	10·27	42·61	45·25	178·38	251·10	278·07
Sind	0 10 6	0 12 4	0 12 10	23·19	29·93	31·15	·40	2·79	2·61	22·79	24·77	27·51
Bengal Presidency	0 4 10	0 4 11	0 4 6	137·59	156·82	140·59	6·01	22·50	19·54	131·58	134·00	121·05
Burma	0 13 3	0 9 9	0 10 5	85·21	80·25	84·54	14·94	21·14	18·96	70·27	59·11	65·58
Bihar and Orissa	0 4 10	0 5 2	0 5 2	104·01	122·35	121·81	5·36	16·08	14·93	98·65	106·27	106·88
United Provinces	0 4 4	0 3 10	0 4 1	126·17	110·51	124·28	4·32	13·46	12·71	121·85	97·05	111·57
Punjab	0 5 2	0 7 6	0 6 5	(a) 65·73	104·35	(b)102·17	2·13	21·21	19·23	63·60	82·80	82·14
Central Provinces and Berar	0 12 2	0 6 11	0 6 1	111·20	69.04	57·43*	8·37	*9·64	8·62*	102·83	59·40	48·75†
Assam	0 11 9	0 9 5	0 7 5	48·52	51·26	40·43	1·15	5·67	6·05	47·37	45·38	33·84
N.-W. F. Province	0 3 8	0 6 8	0 5 9	4·04	8·95	8·77	0·14	1·36	0·98	3·90	7·59	7·78
Delhi	0 12 2	0 15 3	1 0 4	3·15	‡6·05	6·48	0·60	‡‡0·39	0·38	3·08	5·66	6·48
Ajmer-Merwara	0 11 3	1 2 2	1 2 0	3·52	6·38	6·31	·18	0·32	0·25	3·34	6·06	6·06
Coorg	1 6 7	1 9 7	1 9 11	2·47	2·60	2·65	0·08	0·11	0·09	2·39	2·49	2·56
Baluchistan	0 10 9	1 7 6	1 6 5	2·79	6·01	5·74	·43	0·44	0·39	2·66	5·58	5·35
TOTAL	0 8 1	0 8 8	0 8 6	1,236·58	474·69	1,441·86	72·21	196·41	184·23	1,164·85	1,278·74	1,259.82

NOTE.—The figures in columns 2, 3 and 4 of this statement have been taken from Excise administration Reports, and the revenue figures include the receipts from excisable articles issued to Indian States.

*Inclusive of cost price of opium and hemp drug.
(a) Including Delhi.
(b) Includes :—
6.97 lakhs assignment of Government of India.
0.28 lakh credited by other Administration.
§§ Revenue figures include the receipts from excisable articles issued to Indian States.
‖ Includes gross receipts and expenditure at the Nasik Distillery.
†Excluding refunds.
‡ Does not include still head duty from the Punjab and U. P. by book transfer.
‡‡ Does not include assignments and compensations.

STATEMENT IX.

Statement showing the number of persons convicted for Excise and Opium offences during the years 1912-13, 1931-32 and 1932-33.

Province.	1912-13.		1931-32.		1932-33.	
	Total convictions.	Conviction per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.
Madras Presidency	11,813 cases	† *	6,013	..	6,903 cases	14·75
Bombay Presidency Proper	3,206 cases	†	6,521	..	5,677	..
Sind	119	3·39	416	10·67	470	12·06
Bengal Presidency	3,016	6·63	8,218	16·47	10,448	20·80
Burma	8,866	73·18	9,512	64·85	10,002	68·19
Bihar and Orissa	1,580	4·58	5,649	14·99	5,692	15·10
United Provinces	2,010	4·29	4,045	8·91	4,642	9·59
Punjab	570	2·91	1,222	5·17	1,631	6·90
Central Provinces and Berar	768	5·52	3,769	24·31	5,444*	35·11
Assam	349	5·20	1,573	18·20	1,730	19·90
N.-W. F. Province	58	2·64	117	5·19	224	9·36
Delhi	45	10·88	45	7·08	33	5·10
Ajmer Merwara	77	15·36	41	7·31	33	5·88
Coorg	63	36·09	62	37·35	35	21·43
Baluchistan	13 (Cases of smuggling and 65 convictions for drunkenness.)	†	77	18·85	31	7·59

* Figures for calendar years.
†Information not available.

STATEMENT X.

Statement showing the number of convictions for offences relating to Country Spirit for the years 1912-13, 1931-32 and 1932-33.

Province.	1912-13.		1931-32.		1932-33.	
	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.
Madras Presidency	979¶	..	3,301‖	..	4,524	9·67
Bombay Presidency Proper	885	†	†	†	..	..
Sind	12	·34	148	3·80	200	5·13
Bengal Presidency	454	1·00	2,272	4·55	3,780	7·50
Burma	1,633	‡13·48	2,619	‡17·86	2,886	19·68
Bihar and Orissa	798	2·31	3,476	9·22	3,564	9·45
United Provinces	(a)749	(a)1·59	2,719	5·99	3,706¶	7·66
Punjab	264	1·35	486	3·66	1,342	5·84
Central Provinces and Berar	†	†	†	†	†	†
Assam	112	1·67	558	6·7	654	7·60
N.-W. F. Province	†	†	13	·57	23	0·96
Delhi	1	·24	12	1·89	32	5·00
Ajmer-Merwara	..	..	8	1·42	20	3·56
Coorg	26	15·85	53	32·45	35	21·43
Baluchistan	1 (Case of smuggling).	†	60	14·70	26	6·37

¶ † Information not available.
‡ As per 1932 Census.
(a) Includes figures for fermented liquor also. Separate figures for country spirit not available.
¶ Offences.
‖Cases of I. D. possession and sale of I. D. spirits reported.

STATEMENT XI. *

Statement showing the total gross revenue of the Provinces, total revenue from Excise (excluding compensation and refunds), revenue from liquors and the percentages of revenue under Excise as well as Liquors to the total gross revenue during the years 1912-13, 1931-32 and 1932-33.

Province.	Total gross revenue. (In lakhs of rupees).			Excise revenue excluding compensation and refunds. (In lakhs of rupees).			Revenue derived from liquors. (In lakhs of rupees).			Percentage of the total gross revenue borne by the					
										Excise revenue in			Revenue from liquors in		
	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.	1912-13.	1931-32.	1932-33.
Madras Presidency	8,08·40	‖ 16,94·60	‖ 17,00·10	3,31·50	4,24·80	426·10	3,06·2*	3,74·00	374·80	41·00	25·10	25·10	37·90	22·10	22·09
Bombay Presidency including Sind.	7,95·80	14,81·90	15,25·09	2,09·10	3,94·20	361·10	1,84·2	2,63·44	269·19	26·30	23·23	23·67	23·10	17·77	17·65
Bengal Presidency	7,16·50	†	...	1,37·50	1,55·40	139·30	82·89	80·20	70·70	19·20	†	...	11·60	†	...
Burma	6,08·30	1,173·60	10,28·60	81·10	80·30	84·50	42·90	46·80	48·00	13·30	6·84	8·20	7·10	4·00	4·70
Bihar and Orissa	3,35·20	5,19·40	505·80	1,03·80	122·00	119·87	68·40	70·30	69·49	31·00	23·50	23·79	20·40	13·50	13·70
United Provinces.	7,07·90	11,24·70	11,45·80	1,25·80	1,09·00	123·21	90·00	58·40	72·70	17·60	9·70	10·70	12·70	5·20	6·30
Punjab	5,09·50	9,96·24	10,23·91	69·80	97·14	94·92	46·60	52·58	51·23	...	9·70	9·20	8·90	5·20	5·00
Central Provinces and Berar	3,25·40	4,23·60	454·50	1,06·00	65·50	57·50	79·10	31·90	28·20	32·50	15·80	12·60	24·30	7·40	6·00
Assam	1,78·10	249·90	238·23	48·40	51·05	39·89	14·30	17·190	14·35	27·20	20·60	16·40	8·00	6·90	5·90
N.-W. F. Province	4·04	8·95	8·77	4·09	8·95	8·77	1·50	6·140	5·42	7·80	42·90	34·03	2·90	68·93	61·86
Delhi	‡2·15	40·42	8·5*	3·14	9·19	5·44	1·74	5·25	5·16	78·71	22·70	36·40	43·69	12·90	60·20
Ajmer-Merwara	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Coorg	†	13·22	13·12	†	2·90	2·65	†	2·47	1·81	†	19·51	20·19	†	18·66	13·79
Baluchistan	16·56	20·17	20·10	2·79	6·01	5·74	2·27	4·81	4·50	16·85	29·80	28·56	13·71	23·84	22·34
TOTAL	50,07·85	75,76·90	76,72·55	12,22·93	14,43·78	1,468·88	9,19·41	10,12·44	10,15·55	24·44	19·07	254·35	18·36	13·24	234·44

* These figures include revenue from license fees for hemp drugs but not duty.
† Figures not available.
‡ Revised figure.
‖ Represents preliminary figures furnished by the A. G., Madras.

GIPD—M857CBR—19-7-35—110.

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GOVERNMENT OF INDIA

FINANCE DEPARTMENT (CENTRAL REVENUES)

MEMORANDUM

ON

EXCISE (INTOXICATING LIQUORS) ADMINISTRATION IN INDIA

FOR

1933-34.

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PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, NEW DELHI.
1936.
Price Rs. 8/14 or 14s. 9d.

NCBR—E 4/34.

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CHAPTER I.

MADRAS.

1. *Excise Revenue.*—The total Excise Revenue for 1933-34 amounted to Rs. 429·60 lakhs * distributed under the following heads :—

Heads.	Receipts in lakhs of rupees.	Percentage of total Excise Revenue.
1. Country spirit	131·14	30·5
2. Toddy (*Tari*)	223·47	52·0
3. Duty on country made spirit excised at Rs. 21-14-0 per proof gallon	6·58	1·5
4. Country beer	3·75	0·9
5. Vend fees on import of liquor, etc.	3·43	0·8
6. Opium and its preparations	35·05	8·2
7. Hemp drugs	21·27	5·0
8. Miscellaneous	4·91	1·1
Total	429·60	100·0

During the year 1932-33 the total Excise revenue amounted to Rs. 427·62 lakhs and the revenue realised from country spirit was Rs.143·55 lakhs, against Rs. 154·62 lakhs in 1931-32. The corresponding figures for the year 1912-13 were Rs. 330·29 lakhs (total) and 144·57 lakhs (country spirit), respectively, (*cf.* statements VII and VIII). The net revenue from Excise during the year 1933-34 showed an increase of about 26·78 per cent. on the corresponding figure of 1912-13 and an increase of about 0·60 per cent. on that of the preceding year.

This memorandum is concerned with the first 5 items only.

2. *Law regulating liquor traffic.*—The liquor traffic was regulated under the provisions of the Madras Abkari Act I of 1886 as amended by Madras Acts I of 1905, I of 1913, I of 1915 and XVIII of 1929 and Dangerous Drugs Act, 1930.

Country Spirit.

3. *Meaning of the term "Country Spirit".*—In the greater part of Northern India country spirit was till lately for the most part spirit distilled after the old Indian method as distinguished from "Indo-European Spirit" (rum, etc.) produced in distilleries worked after the English method.

In Madras no such distinction existed. In some outlying parts which are under the outstill system, *arrack* the name applied in Madras to distilled spirits consumed by the Indian population, continues to be manufactured according to the old primitive method; but over almost the whole of the Presidency, excluding only the parts of the Agency tracts, its manufacture is carried on in regular distilleries provided with modern appliances and worked on modern methods. What in Northern India would be called Indo-European spirits, *i.e.*, local brands of "rum", "whisky", etc., was in Madras

* Includes revenue derived from excisable articles exported to Indian States.

manufactured in the same distilleries as *arrack*, and was in fact *arrack* coloured or flavoured before issue, and excised at a special rate of Rs. 21-14-0 per proof gallon. "Country Spirit" in Madras means spirit manufactured in the country on which duty at the tariff rate is not leviable, but does not include locally made "foreign" liquor.

4. *Proportion of country spirit revenue realised under the distillery system.*—About 98·5 per cent. of the revenue derived from country spirit (*arrack*) in Madras was realised under the distillery, or, as it is called "Excise" system —Rs. 129·23 lakhs out of a total of Rs. 131·14 lakhs.

For corresponding figures for 1912-13 and 1932-33, see statement VII.

Distillery System.

5. *Replacement of the private distillery system by the contract distillery system.*—When the first edition of this memorandum was published in the year 1897, the leading distillery system of Madras was the *private distillery supply system*, which was one of free competition among the licensed distilleries in respect of the production of the spirit. The contract distillery system which gives a single distillery a sole right of production and distribution in a particular area, was only in force in a few districts and was regarded as a preliminary step towards the private distillery system. In the course of years, however, the greater part of the production trade in the private distillery areas fell into the hands of two great distilleries and these after a period of fierce competition were amalgamated. The result was a practical monopoly in the hands of a single firm throughout the greater part of the Presidency, and to check the evil consequences which would have followed, the private distillery system was, in April 1901, replaced by the "contract" system in all the districts. The contract distillery system thus became the sole distillery system of the province and the smaller distilleries which still survived remained as supply centres for particular districts. The transition from the private to the contract system was rendered simple by the fact that the distilleries working under the two systems, when both existed, were of like character—in fact the same distillery might have worked as private distillery for one part of the Presidency and as a "contract" distillery for another—and that the retail vend arrangements under both were the same.

6. *Description of the contract distillery system.*—Under the contract distillery system the exlcusive privilege of manufacture of country spirit throughout a district or other specified area is disposed of by tender. The successful tenderer has the monopoly of supply to retail vendors within the area of his contract. The still-head duty to be paid to Government on each gallon issued, is fixed and tenderers are required to state at what rate they are prepared to supply spirits of certain specified strengths * at a central source of supply (distillery or warehouse or depot) in each contract area.

7. *The area in which it is in force.*—This system was in force throughout the Presidency except in part of the Agency tracts (see paragraph 21). The *arrack* supplied was distilled from jaggery or molasses.

8. *Character and supervision of distilleries.*—The Distillery in Malabar belongs to Government.

In 1932-33, it was leased for a period of 3 years to contractors for the manufacture and supply of "Malabar" *arrack* to foreign liquor dealers. The

* These are generally speaking 35° and 60° under proof but 38° U. P. is prescribed in 9 districts and 40° U. P. in the low duty area round Pondicherry in South Arcot district.

other distilleries, which worked under the contract distillery system, were all privately owned. Each licensed distiller had to equip and maintain his own distillery on plans approved by the Commissioner of Excise and was bound to make any alteration which that authority or the Assistant Commissioner of Excise for Distilleries considered necessary.

9. The distilleries were worked after English methods, and each one had attached to it one or more officers of the Excise Department, whose duty it was to check in the interest of the revenue, every detail in the process of manufacture, and to pass the spirit out, in bond or on payment of duty, as the case might be, for storage or consumption. Each distillery was in the charge of an Assistant Inspector on Rs. 125-175 per mensem, and the Assistant Inspector in charge of the more important distilleries were assisted by one or two Sub-Inspectors on Rs. 55-80 per mensem. The work of the local distillery officers in the Southern circle was supervised by a Distillery Inspector and in the Northern Circle by the Assistant Commissioner for Distilleries, who also supervised the work of the Inspector, Southern Distillery circle. The Assistant Commissioner for Distilleries was employed for the general supervision of all the distilleries and for the instruction of the officers of the department in everything appertaining to distillery work.

10. Distillers and Warehousekeepers were bound to provide houses, the rent of which was not to exceed a fixed sum, for the officers who supervised their operations, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

11. *Warehouses.*—To facilitate the supply of liquor to vendors, contract distillers were required, when necessary, to open "Warehouses" within their contract * areas. These warehouses were supervised by Sub-Inspectors without extra cost to the warehouse licensee. Spirits were received from a distillery or another warehouse in bond, and could be blended or reduced before issue, under the control of the supervising officer, in bond or on payment of the prescribed rate of duty, as the case may have been. Denaturation and compounding of spirits were not allowed at warehouses.

12. *Distillers forbidden to engage in retail trade.*—Distillers were forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicating liquors in their contract areas.

13. *Number of distilleries and Warehouses.*—In each of the years 1932-33 and 1933-34, there were 10 distilleries and 14 warehouses for the supply of the contract distillery tracts. In the year 1912-13, the corresponding figures were 10 and 16, respectively.

14. *Rates of still-head duty.*—In 1933-34 the rates of still-head duty varied from 15 annas per proof gallon in Palkonda Agency to Rs. 11-2-3 in Madras and in the Saidapet Taluk of the Chingleput district. In 1912-13, these rates varied from 10 annas per proof gallon (in the Gunupur and Palkonda agencies of the Vizagapatam district) to Rs. 8-2-0 (in Madras and in 11 adjoining villages of the Saidapet taluk in the Chingleput district).

15. *Wholesale vend licences.*—The contract distillers were primarily responsible for the opening of such wholesale depots as were considered necessary for the supply of shops within their contract areas; but with the consent of the contractors private parties were allowed on payment of an annual fee of Rs. 15 and on depositing such amount as security as the Collector required, to open such depots for the sale of liquor obtained from the contract

* The Distillery itself could be outside the contract area *e. g.* the proprietor of the Renigunta Distillery, Chittor District did not hold the contract for the Chittor District.

distillery or a warehouse in connection therewith. Issues from depots were made only to other wholesale depotkeepers and licensed independent *arrack* shopkeepers in the same contract area in quantities of not less than half a gallon at a time to licensed independent *arrack* shopkeepers and not less than 9 gallons at a time to other wholesale depotkeepers. This class of licensees was a necessary link between the distiller and the petty shopkeeper who could not afford to purchase more than a few gallons at a time or to go long distances to obtain it. The spirits kept in wholesale depot were duty-paid and consignments were verified on arrival by a Government officer if the duty in the area in which the Warehouse or Distillery lay was higher than in the area in which the depot was situated, or if they had passed through foreign territory; in other cases the verification was made by the depotkeepers.

372 wholesale depots were worked under the above conditions in 1933-34. Of these 357 were held by the supply contractors free of fee and 15 by private persons with the consent of the supply contractors on payment of the fee of Rs. 15 per annum as referred to above. In 1932-33, 372 wholesale depots were worked under the above conditions. In 1912-13, there were 444 wholesale depots, of these 332 were held by the supply contractors free of fee, and 112 by private persons with the consent of the supply contractors on payment of a fee of Rs. 15 per annum.

Distillers, warehousekeepers and wholesale depotkeepers were bound to sell spirits to all persons licensed to purchase from them on payment of the value in legal tender, and the prices to be charged by them were fixed.

16. *Retail vend.*—The right of retail vend of country spirit was sold by auction by separate shops throughout the contract distillery supply area. Shopkeepers obtained all their liquor from the contract distillers, either direct or through the wholesale vendors referred to above. Collectors with the previous permission of the Commissioner could fix maximum prices to be charged for spirits by the retail shopkeepers. Minimum prices below which, spirits could not be sold could also be fixed by the Commissioner. Actually, maximum retail prices were not imposed anywhere except in certain taluks of the Vizagapatam Agency, while minimum prices were imposed only in the low duty tracts of the South Arcot district.

17. *Number of country spirit shops.*—In the year 1933-34, the number of shops for the retail sale of country spirit was 5,566, against 5,557 in the preceding year, an increase of 0·16 per cent., and 8,976 in 1912-13—a decrease of about 37·99 per cent.—see statement IV. The number of country spirit shops per 100,000 of the population in the years of 1912-13, 1932-33, and 1933-34 was 21·68, 11·88 and 11·90, respectively. The average area served by a country spirit shop was 25.61 square miles in 1933-34 against 15·86 square miles in 1912-13 and 25·65 square miles in 1932-33 (*cf.*, statement III).

18. *Sale Strength.*—In order to prevent the watering of liquor by shopkeepers and to facilitate the detection of cases of smuggling and illicit distillation, retail vendors in all distillery areas were bound, as a condition of their licences, to sell their liquor at certain specified strengths, generally 35° and 60° under proof (*vide* footnote to paragraph 6). It was one of the duties of the excise officers to ascertain by hydrometer tests that these strengths were not departed from, a due margin being allowed for reduction in strength due to natural causes. The great bulk of the liquor sold was at 35° under proof. In 1912-13 the specified strengths at which the retail vendors were bound to sell their liquor were chiefly 30° and 60° under proof.

In response to a representation from a section of the public in South Kanara district a system of sale of *arrack* in sealed bottles has been introduced in Mangalore Town from 1st April 1933. The *arrack* was issued to shops in bottles of 4 drams capacity and placed on sale alongside *arrack* sold in retail. The contract suppliers were allowed to charge 3½ annas per bottle in addition to cost price to cover cost of labour, bottling, etc. The system, it is reported, has not made itself popular on account of the high cost of bottling.

19. *Average taxation per gallon of distillery spirit and consumption.*— The receipts from country spirit in the distillery area amounted in 1933-34 to Rs. 129·23 lakhs, of which Rs. 79·25 lakhs were realised from duty and Rs. 49·98 lakhs from vend fee, etc. In 1912-13 and 1932-33 the revenue derived from country spirit in distillery areas amounted to Rs. 141·43 lakhs and Rs. 141·61 lakhs, respectively. For further details see statement VII. The consumption of country spirit in 1933-34 was 827,706 proof gallons or 1.77 proof gallons per 100 of the population, giving an average taxation of Rs. 15-10-3 per proof gallon, of which a sum of Rs. 9-8-10 was realised in the form of still-head duty and Rs. 6-1-5 in the form of vend fees. In 1932-33, the consumption of country spirit amounted to 934, 255 proof gallons or 2·00 proof gallons per 100 of the population, against 1,773,673 proof gallons or 4·28 proof gallons per 100 of the population in 1912-13. The total average taxation per proof gallon of country spirit in 1932-33 was Rs. 15-1-7 (Rs. 9-9-7 from duty) against Rs. 7-15-7 (Rs. 5-12-0 from duty) in 1912-13.

20. *Ordinary renting system.*—The Excise Administration of the British village of the Anjengo in Travancore, which comprises an area of about one square mile and a population of 6,766 was leased to the State authorities for an annual gross payment of Rs. 7,900.

21. *System Agency tracts.*—In the Agency tracts, the contract distillery system was in force in 2,602 square miles out of a total of 19,869 square miles. The rest of the Agency was served partly by Central distilleries and partly by out-stills. Details are given below :—

(*i*) In 1933-34, the contract distillery system was in force in the Parlakimedi maliahs, the Palkonda Taluk and Kasipuram Muttah with Kottur of the Ananthagiri Agency and portions of Gudem Agency in the Vizagapatam District and the Polavaram, Chodavaram and Yellavaram taluks of the East Godavari Agency. The contract suppliers of the Ganjam District supplied liquor to the Parlakimedi shops, the Vizagapatam district suppliers to the shops of Palkonda, Gudem and Kasipuram Muttah with Kottur and the suppliers of the East Godavari district to the shops in the Polavaram, Chodavaram and Yellavaram taluks. The contract distillery area in Parlakimedi maliahs was included in the Chicacole Excise circle, the Palkonda taluk in the Bobbili sub-circle and Kasipuram Muttah with Kottur in the Vizianagaram circle. The East Godavari Agency area was under the Agency Excise Inspector. The spirit issued to the Agency areas except Parlakimedi maliahs and portions of Gudem Agency was of weaker strength (60° under proof) than that issued to the adjoining plains and the duty was low. To differentiate the liquor intended for the Agency from that intended for the ordinary tracts, the Agency liquor was coloured.

(*ii*) The Central Distillery system was in force in the whole of the Nugur and Bhadrachalam taluks of the East Godavari Agency and in the Gunupur Taluk and the Jeypore circle of the Vizagapatam Agency. This was extended to the Deshya Kondh area of the Bissemcuttack taluk and to a part of Padwa taluk of the Vizagapatam Agency from 1st April 1931. As the area of the Jeypore circle was found to be too extensive a new circle with Headquarters at Parvatipur was constituted with effect from 1st May 1931, comprising the Gunupur and Rayaghada taluks (except Kalyanasingapur Tana), Narayanapatnam Agency of the Parvatipur taluk and the Deshya Kondh area of the Bissemcuttack taluk, and the post of the Assistant Inspector Gunupur, was abolished. Under this system four central distilleries were opened, one in Bhadrachalam, one in Gunupur taluk, one in Jeypore taluk and one in Rayaghada Taluk. The distillers manufacture *arrack* from the mohwa flower and the privilege of manufacture in these distilleries was disposed of by tender. The successful tenderer paid a licence fee of Rs. 50 for each distillery and was bound to supply *arrack* at the prescribed strength of 60° under proof to the shops dependent on his distillery. A petty officer with one peon was previously in charge of the Central Distillery in Bhadrachalam taluk. With a view to effect improvements in the methods of manufacture and to exercise efficient supervision, the Central Distillery at Bhadrachalam was placed in charge of an Assistant Inspector. The Distillery at Jeypore was in charge of an Assistant Inspector; those at Gunupur and Rayaghada which were in charge of sub-Inspectors were placed under the control of Assistant Inspectors in the interests of efficiency. The duty per gallon of 60° U.P. liquor was 10 annas in Bhadrachalam and Nugur and 4 annas in the Gunupur and other taluks of the Vizagapatam Agency under this system in 1933-34. The liquor manufactured at the Central distilleries was coloured to prevent malpractices.

(*iii*) The outstill system, under which the privilege of manufacture and vend is sold by shops was in force in the whole of the Vizagapatam Agency, except Gunupur (including Palkonda Agency and the Jeypore and Parvatipur circles. There were no shops under the outstill system in Ganjam Agency in the year 1933-34 Under this system, the spirit was manufactured generally from mohwa but no particular strength was insisted on and no accounts were kept. There was no limit placed on the selling price of liquor.

(*iv*) *Free distillation.*—In the Ganjam Agency tracts no revenue was derived from *arrack*. The Kondhs in the Ganjam Agency were allowed the privilege of manufacture of *arrack* without payment of duty. The Oriyas in the area were prohibited from either manufacturing or selling liquor. To prevent the Kondhs from abusing the right of free distillation and to prevent the Oriyas from manufacturing *arrack*, an Excise officer of the rank of Assistant Inspector and a staff of Sub-Inspectors and peons were at work in the G. Udayagiri Taluk. In six muttahs of this taluk free distillation by Kondhs was restricted by

insisting on permits being taken from the Revenue or Excise authorities before manufacture of *arrack* was allowed. In the portions of the Gunupur and Bissemcuttack taluks bordering on the Parlakimedi and Kattai Maliahs, the Kondhs and Savaras enjoyed the privilege of free distillation for *bona fide* home consumption. In the Savara hill bordering on the Central Distillery area of the Gunupur Taluk it was decided to restrict the privilege to special occasions and under permit for each occasion.

22. The total receipts from country spirit under the non-distillery system amounted in 1933-34 to Rs. 1·91 lakhs, against Rs. 3·14 lakhs in 1912-13 and Rs. 1·94 lakhs in 1932-33.

Toddy.

23. Toddy (known in North of India as tari) is the sap of the palm tree.

24. *Unfermented or Sweet toddy.*—Unfermented toddy was not subject to any taxation in Madras but had to be drawn in pots freshly coated internally with lime (to prevent fermentation). In East Godavari, West Godavari, parts of Guntur and certain Agency tracts, licences (for which no fee was charged) were required for the tapping of trees for this sweet toddy.

25. *Tax on fermented toddy.*—Fermented toddy was taxed by means of fees payable for the right of retail vend, and by means of the tree-tax system under which a fixed fee was charged for every tree from which it was intended to draw fermented toddy.

26. *Tapping of trees for fermented toddy.*—Where the tree tax system was in force, no palm trees could be tapped for the purpose of producing fermented toddy, without a licence, upon issue of which the tree was marked to indicate that a licence had been obtained for it. The tapping of unmarked trees for the purpose of producing fermented toddy was an offence. Licences for the tapping of trees for fermented toddy were issued on payment of tree-tax, on the application of licensed toddy shop-keepers; of the contractors for the manufacture and supply of "Malabar arrack"; of toddy drawers in South Kanara *; of tree owners generally up to 5 trees; of any member of a hill tribe whether a tree owner or not, residing in certain villages of Vizagapatam district up to 5 trees for each household; of sweet toddy tappers in East Godavari, West Godavari, parts of Guntur and of the Agency tracts up to a limit of 3 trees; and of licensed toddy shop-keepers or renters in Mysore, Civil and Military Station, Bangalore, Pudukottai, Banganapalli and Cochin who desired to obtain toddy from trees growing in British territory.

27. *Rates of tree-tax on Coconut, Sago, Palmyrah, Date and Dadasal.*—Tapping licences were issued half-yearly for coconut and sago palms and

* Provided that applications for licenses were accompanied by applications for permits for the transport of toddy to some particular shop and that the latter applications were countersigned or acknowledged to be correct by the shop-keepers to whose shops the toddy was to be taken.

yearly for Palmyrah, date and dadasal (Arenga Wightii) trees. The rates of tree tax in 1933-34 were as below :—

Palms.	The districts of Ganjam, Vizagapatam except certain Agency tracts, South Kanara and Malabar.	Vizagapatam Agency (portions).	Vizagapatam Agency (other portions).	Agency tacts of East Godavari (areas under the Tree-tax system).	All other districts.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Coconut palms for each half year . . .	4 8 0	0 12 0	3 12 0	3 0 0	5 10 0
Sago palms for each half year	9 0 0	1 8 0	7 8 0	6 0 0	11 4 0
Palmyrah or date palms for the whole year . .	3 0 0	0 8 0	2 8 0	2 0 0	3 12 0
Dadasal for the whole year .	1 0 0	..	..	..	..

The rates of tree tax in 1912-13 were as follows :—

Palms.	The districts of Ganjam, Vizagapatam, South Kanara and Malabar.	The districts of Godavari Kistna, Guntur, Nellore, Cuddapah, Anantapur, Bellary and Kurnool (including Banganapalli).	The districts of Chingleput (except Saidapet Taluk), N. Arcot Chittoor and S. Arcot.	The rest of the presidency.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Coconut . . .	2 4 0	3 0 0	3 6 0	3 12 0
Sago	4 8 0	6 0 0	6 12 0	7 8 0
Palmyrah or date . .	1 8 0	2 0 0	2 4 0	2 8 0
*Dadasal (Arengai wightii)	0 12 0	..	..	..

28. In the case of trees tapped for the supply of toddy shops the tapping licence must cover not less than a specified minimum number of trees—the minimum varying for different districts or other areas.

29. *Vend licences.*—The privilege of retail vend in each shop was sold separately by auction. The number of licences issued for the retail sale of toddy was 9,939 against 14,478 and 9,937 in the years 1912-13 and 1932-33, respectively (Statement IV). There was on an average one shop for 14·3

*In South Kanara district alone.

square miles and 21·2 shops for every 100,000 of population; in 1912-13 there was one shop for 9·83 square miles and 34·96 shops for every 100,000 of population.

30. *Method of procuring trees for tapping.*—The shop-keepers and other persons to whom licences for tapping could be granted made their own arrangements for procuring trees either from private owners or from Government. The usufruct of palm trees on Government waste land was formerly disposed of by auction but in 1926-27 a fixed fee per tree was instituted in most districts. This fee was for the use of the trees and was distinct from the tree-tax.

31. *Geographical extent of the tree tax system.*—In 1933-34 the tree-tax system was in force throughout the Presidency, except the Nilgiris district, the Wynad taluk and the Attapady valley in Malabar and portions of the Agency tracts.* The circumstances of these excepted areas were peculiar. Toddy was not drunk in the Nilgiris district, the Wynad taluk and the Attapady valley; its manufacture was not controlled in the major portion of the Agency tracts. In the 122 low country Agency villages of the Parlakimedi Maliahs the right of manufacture and vend of toddy was rented out.

32. *Tapping of trees in Indian States for British shops and* vice versa.—A considerable number of trees was tapped in the Presidency for shops in Mysore while some British shops derived their supply of toddy from Mysore. To regulate this traffic, arrangements were made with the Mysore Government imposing tree-tax on Mysore trees tapped for British shops and *vice versa*, the revenue in either case following the consumption. Where the rates of tree-tax on the two sides of the border were different, the higher rate was levied. Similar arrangement existed between the Governments of Civil and Military Station, Bangalore and Madras. On toddy brought from Hyderabad a transport duty of 3 annas a gallon was levied at the Chowky on the frontier. But there has been a complete cessation of transport since 1st October 1932 due to a new Company having taken the Abkari contract of the Kopbal district of H. E. H. the Nizam's Dominions. This Company raised the price of toddy considerably with the result that the renters in British territory found it uneconomical to purchase Hyderabad toddy. Toddy shop-keepers in the Pudukottai state were permitted to tap trees in the adjoining British villages on payment of tree-tax to the Madras Government at the rates prevailing in British territory. British shop-keepers were allowed to tap trees in the Puddukottai State on payment of tree-tax to that State at the higher of the rates prevailing on the two sides of the border. Similar arrangements existed between the Madras Government and the Cochin Darbar.

33. *Revenue.*—The total toddy revenue for 1933-34 was Rs. 223·47 lakhs of which Rs. 97·34 lakhs was in the shape of tree-tax and the balance from licences for the privilege of retail vend. In 1912-1913 the total toddy revenue was Rs. 152·24 lakhs; in 1932-33 it was Rs. 208·00 lakhs.

Locally produced "Foreign" spirit.

34. *Manufacture and supply.*—As explained in paragraph 3 spirits of this class (local brands of rum, whisky, etc.) were manufactured in country spirit distilleries in the same manner as *arrack* with the addition of colouring and flavouring matter. They could be issued at any strength not lower than

* The portions of the Agency tracts where the tree-tax system was in force in 1933-34 were the Polavaram taluk, 138 villages of Yellavaram, 116 villages of Chodavaram, portions of the Gudem taluk, 36 riverside villages of Bhadrachalam taluk and 17 villages of Nugur taluk.

35° u.p. for gin and 25° u.p. for all other kinds of spirits not being denatured spirits on payment of a special rate of duty of Rs. 21-14-0 per proof gallon. Spirits on which the special rate of duty of Rs. 21-14-0 was levied were designated "locally made 'foreign' liquors". The only restrictions imposed on distillers in respect of country made spirits so excised were :—

(*a*) that they shall be issued only to persons licensed to sell "foreign spirits" or to private persons for domestic consumption, but not for sale ; and (*b*) that the spirit issued to licensed vendors shall in colour and flavour resemble gin, brandy, whisky or rum.

35. As regards wholesale and retail sale, spirits of this description were subject to the same regulations and were sold in the same shops as imported European spirits. The bottles must be labelled "spirits compounded in India".

36. *Arrack* manufactured at the Chowghat distillery in Malabar from Coconut toddy drawn from trees which had paid tree tax was issued in bottles or other receptacles labelled "spirit manufactured in Malabar" to foreign liquor dealers throughout the Presidency on payment of duty at the rate of Rs. 21-14-0 per proof gallon. A rebate of tree tax was granted to the distillers calculated at a fixed rate on each gallon outturned.

37. *Issues and duty Receipts.*—The quantity of locally made potable spirits issued amounted to 21,316 proof gallons, against 22,055 proof gallons in 1932-33 and 13,069 proof gallons in 1912-13. The duty realised thereon was Rs. 4·66 lakhs in 1933-34, against Rs. 4.82 lakhs in 1932-33 and Rs. 1.22 lakhs in 1912-13.

38. *Denatured Spirit and Methylalcohol.*—Denatured spirit was manufactured at the Nellikuppam and Samalkot distilleries. 82,500 gallons were issued in 1933-34 from these distilleries against 17,207 gallons in 1912-13 and 29,886 gallons in 1932-33 from the same distilleries. The duty on such spirits locally manufactured has been removed from the 19th January 1917. Before issue the spirit must be rendered undrinkable by the addition of light caoutchoucine and pyridine unless for special reasons the use of other denaturants was permitted. Imported denatured spirit was subject to the same restriction. Free licences were granted for the possession and sale of denatured spirit, and the system of levy of licence fees based on actual consumption continued. In the interest of public health and of Government revenue, excise restrictions were imposed on the transactions in methyl alcohol with effect from 1st April 1933 and a licence fee at Re. 0-8-0 per gallon based on actual consumption was levied quarterly in arrears on all methyl alcohol consumed in this Presidency. Sixty methyl alcohol licences were issued during 1933-34 and the consumption under them amounted to 880 gallons. A sum of Rs. 43,191 was realised as licence fees on denatured spirit and methyl alcohol in the year. In 1933-34, 789 licences were issued, against 730 in 1932-33 and 192 in 1912-13 for the retail sale of Denatured spirit and 140 licences, against 144 in 1932-33 and 44 in 1912-13 for possession by Varnish makers, Chemists and others.

Country Beer, etc.

39. *Manufacture and Duty.*—Licences for the establishment of Breweries were granted by the Assistant Commissioner for Distilleries under the orders of the Commissioner of Excise to approved applicants on payment of an annual licence fee of Rs. 15. The establishment of breweries which had previously

been restricted to Hill Stations was in 1890-91 permitted elsewhere. During the year there were 2 breweries in the Presidency, one in the Chingleput district and the other in the Nilgiris. These breweries were under the supervision of Government officers. The brewers were required to maintain accounts in such forms as the Commissioner of Excise prescribed from time to time and duty at the rate of 12 annas per imperial gallon was levied once a quarter on the total quantity of beer brewed during the quarter, less 5 per cent. allowed for wastage.

In 1912-13 the duty levied per imperial gallon was 3 annas, less 5 per cent. allowed for wastage. From time to time samples of the worts were taken and analysed.

40. "Indian Beer" has been defined as beer brewed in India from jaggery or crude cane-sugar which contains at least two bushels of malt and two pounds of hops per hogs-head and which is brewed at a higher original gravity than 1058° on a standard saccharometer. For the sale of such beer at the breweries a maximum price of Rs. 40 excluding the excise duty of Rs. 40-8-0 per hogs-head) has been fixed and brewers are bound to sell to licensed dealers on payment of the value in legal tender.

41. *Issues.*—The total quantity of beer issued from the breweries amounted to 217,755 gallons, against 245,930 gallons in 1932-33 and 542,813 gallons in 1912-13; in addition 21,380 gallons of Bangalore beer were imported during 1933-34, against 19,493 gallons in 1932-33 and 170,675 gallons in 1912-13.

42. *Vend.*—Beer was ordinarily sold in shops for the sale of "foreign liquor" but separate shops for the sale of country made beer existed in the Nilgiris and in large towns in some of the other districts. In 1933-34 there were six such shops licensed in the Nilgiris and 21 in other districts. In 1932-33 and 1912-13 there were 27 shops for the sale of country made beer in the Presidency. The right to retail beer in these shops was sold by auction. Brewers or Agents of brewers (either local or foreign) were prohibited from having any interest direct or indirect in the retail vend of beer in the Presidency.

The brewers were required to supply beer to shops at a price not exceeding Rs. 40 per hogshead exclusive of duty.

43. Holders of foreign liquor retail "off" licences were prohibited from selling "Indian beer" as defined above. In places where there were separate beer shops foreign liquor shop-keepers were not permitted to sell beer other than beer brewed in India on English principles. This must be sold in bottles as bottled at the brewery.

44. *Receipts.*—The total receipts from beer in 1933-34 derived from the sale of beer shops, from the duty on issues from the local breweries above referred to, and from the duty on beer imported into this presidency from Bangalore, amounted to Rs. 3·70 lakhs.

In 1912-13 and 1932-33 the revenue realised from country made beer amounted to Rs. 2·30 lakhs and Rs. 4·25 lakhs respectively.

Imported Liquors.

45. In the case of imported liquors the duties leviable under the Tariff Act were credited to Customs, the excise revenue being derived from licences for the privilege of selling the liquors which in Madras come under the definition of "Locally made 'foreign' liquors" *viz.*, beer, rum, etc. If foreign liquor was imported in bulk and bottled in the Presidency the bottles had

each to beer a printed label specifying the country of origin of the liquor the description of the liquor, the name of the bottler and the fact that the bottling was done in India; these particulars should be furnished on the same label and as conspicuously as the trade description. The sale of medicated wines and similar preparations containing 20 per cent. and upwards of proof spirit but not more than 42 per cent. was prohibited except under a licence.

46. Vend licences were auctioned in the case of taverns licensed for the retail sale of liquor for consumption both "on" and "off" the premises and in cases of "off" licences were issued on payment of fixed fees. In addition to the beer licences referred to in paragraph 42, licences of the latter class were:—

1. *Wholesale Licence.*—Fee Rs. 1,000 per annum in the Madras Town and Rs. 250 per annum in other districts. Under this licence the consumption of liquor in the shop premises and its sale in quantities less than two imperial gallons or a dozen reputed quart bottles or two dozen reputed pint bottles of each kind at a time were prohibited. The holders of this licence were, however, allowed to issue to licensed dealers samples of liquor in quantities not exceeding one quart in the case of beer and one pint in the case of other liquors. Distillers and holders of licences for the wholesale vend of foreign liquor were also granted (1) on payment of a separate fee of Rs. 250 per annum, licences for the compounding and blending of foreign liquor for sale and (2) on payment of a separate fee of Rs. 50 per annum, licences for the bottling of foreign liquor for sale.

2. Retail "off" licences for the sale of all kinds of foreign liquor except "Indian Beer". Fee Rs. 750 per annum in Madras City and Gudalur, Rs. 1,000 in the Nilgiris except Gudalur and Rs. 300 in towns with a population of 25,000 and over and in Kodaikanal, Yercaud Cochin and Ambasamudram and Rs. 200 in the rest of the Presidency. Under this licence the sale of less than one reputed pint or more than two imperial gallons in one transaction was prohibited.

3. *Hotel licence.*—Fee Rs. 500 or Rs. 250 per annum according as the licence was of the first or second class in Madras; Rs. 100 or Rs. 50 per annum on the Nilgiris and Rs. 50 and Rs. 25 per annum in the rest of the Presidency. In Madras the holders of "hotel" licences could also be granted a separate "bar" licence for the sale of all kinds of foreign liquor under the same conditions and to the same extent as the tavern licence on payment of a monthly fee of Rs. 100 for a first class and Rs. 50 for a second class bar; special bar licences were also issued to other than holders of hotel licences with the previous sanction of the Commissioner of Excise.

4. *Ordinary Refreshment Room licence.*—Fee of Rs. 500 per annum in Madras and Rs. 75 in the rest of the Presidency. Under this licence the sale of liquor for removal from the premises was prohibited.

5. *Railway and Dak line refreshment room.*—Licence fees ranged from Rs. 50 to Rs. 300 per annum. Under this licence the sale of liquor for removal from the premises was allowed only up to one reputed quart in the case of spirits or two reputed quarts in the case of other kinds of liquor to *bona fide* travellers.

6. *Occasional licences.*—Fee Rs. 100 or less for each licence. This licence was granted for periods not exceeding 10 days at a time and no removal of liquor from the premises was allowed under it.

7. *Special licence.*—This was granted on terms and conditions determined by the Collectors in each case when the circumstances were such as not to allow the issue of a licence of any of the description specified above.

8. *Auctioneer's licence.*—Fee Rs. 5 per annum.

9. *Licence for the sale of pure rectified spirits.*—Fee Rs. 10 per annum—Licences of this class were issued to Chemists and Druggists and other approved persons or bodies for the possession of pure rectified spirits in quantities not exceeding 10 imperial gallons. Sale under these licences was not allowed for other than *bona fide* medical, scientific and industrial purposes and the maximum limit of sale at one time to one person was restricted to one reputed pint in the case of sale to a private individual, two reputed quarts in the case of a sale to a Chemist, medical practitioner or scientific body and three imperial gallons to any Government, Local Fund or Municipal Hospital.

10. *Licence for the sale of medicated wines, etc.*—Fee Rs. 10 per annum. Licences of this class were required for the sale of medicated wines and similar preparations (other than beverage wines) containing 20 per cent. and upwards but not more than 42 per cent. of proof spirit.

11. Licence for the sale of brandy by Chemists on the prescription of a qualified medical practitioner. These were issued by Collectors on an annual fee of Rs. 5.

As in the case of "locally-made 'foreign' spirits" minimum sale strengths of "imported 'foreign' spirits" were fixed at 35° u.p. for gin and 30° u.p. for Colombo *arrack* and 25° u.p. for all other kinds of spirits including Italian *arrack* except denatured spirits.

12. The system of levy of fees from Clubs which supply liquor to their members on payment of a price or of any fee or subscription was continued. There were 66 such clubs during 1933-34 and a sum of Rs. 6,762 was levied as fee for the year.

13. A concessional rate of duty of Rs. 5 per proof gallon was allowed on spirits contained in medicinal preparations, culinary, aerated water or other flavouring essences, extracts, colourings, perfumes and toilet preparations manufactured in bond in this Presidency. With effect from 1st August 1933, the duty on spirits contained in medicinal preparations manufactured elsewhere in India and imported into this Presidency by land or under bond by sea was raised from Rs. 5 to Rs. 10 per proof gallon and that on culinary aerated water and other flavouring essences, extracts, colourings, perfumes, and toilet preparations, manufactured elsewhere in India and similarly imported into this Presidency was raised from Rs. 5 to Rs. 17-8-0 per proof gallon. A sum of Rs. 94,896 was realised during 1933-34 as duty on spirituous preparations.

47. The total revenue derived from Foreign liquor (exclusive of the revenue from beer referred to in paragraph 44) was Rs. 9·99 lakhs in 1933-34 compared with Rs. 9·96 lakhs in the preceding year and Rs. 5·56 lakhs in 1912-13. For figures showing consumption of potable foreign liquors, see statement II.

48. *Location of shops.*—For the year 1933-34 the number of shops except toddy shops and the location of all kinds of shops in the Madras City and, 21 Major Municipalities in the mufassal were decided by the Excise Licensing Boards, constituted by Government with non-official majorities. In other areas such questions were decided by Collectors after obtaining the advice of the Excise Advisory Committees (with non-official majorities) in those Revenue Divisional areas for which such committees were constituted. Where such Committees did not exist the Collectors decided the questions after ascertaining local opinions, official and non-official, from the District Superintendent, of Police, Local Bodies, Planters, Railway authorities and other employers of labour and Forest officers, where necessary. The main principles observed in the matter of location of shops were that rural shops were not to be located without permission within a furlong of a metalled road, that when shops on road sides were sanctioned in rural areas the minimum distance between such shops should ordinarily be 5 miles, that sites selected should be so far public that persons entering shops did not escape observation but not so prominent as to compel attention, and that where possible the shops should be located on Government lands. It was also laid down that shops should not, as far as possible, be located close to the "cheris" or other localities inhabited by the members of the depressed classes. The general rule was that shop licences were issued for a year; the number and sites of shops were determined beforehand and were not altered except for very special reasons. The system of selling *arrack* and toddy shops separately was calculated to facilitate the closure of such shops as were not really needed and had already brought about a large reduction in their numbers.

The decisions of the new Licensing Boards were final subject to the control of the Commissioner who had to report to Government the reasons for not accepting any decision of the Board. As regards Excise Advisory Committees for Revenue Divisional areas the rules provided that the Collector should ordinarily accept the Committee's recommendations and that in cases in which he differed from it he should arrange to convene a special meeting of the Committee and himself, if possible, should explain to it his reasons for disagreeing with its recommendations. In case of continued disagreement between the Collector and the Committee the Commissioner could pass final orders.

49. For the year 1933-34 the Excise Licensing Board, Madras City, met ten times and decided to change the sites of four toddy shops and open 3 new *ganja* shops, all of which decisions were accepted. The mufassal Licensing Boards recommended the opening of one shop, closure of two shops and change of sites in respect of nine shops. Their recommendations were given effect to in all cases excepting one relating to closure. The Excise Advisory Committees recommended the opening of 19 shops, the closure of 43 shops and change of site in respect of 213 shops and their recommendations were accepted in 16, 34, and 210 cases, respectively.

50. *Specific measures adopted for reducing the drink evil.*—The end in view was to decrease consumption so far as was possible without stimulating crime. The specific measures which were adopted towards this object were

raising gradually the rates of duty and tree-tax, reducing the sources of supply, reducing the strength of liquor and the limit of private possession, rationing supplies to *arrack* shops in certain places, prohibiting the sale of *arrack* in certain areas where toddy was the prevailing drink and forbidding the sale of liquor to adult women and young persons under 18 years of age and certain hill tribes. These measures had for the most part been introduced since 1918-19. There had been a marked decline in consumption of licit *arrack* since 1919-20. The consumption during 1927-28 was less than that in any year since 1912-13 except 1925-26. During 1928-29 there was an increase over the figures of 1927-28 but from 1929-30 there was a steady drop. The number of cases reported in 1927-28 under illicit distillation and kindred offences was the highest up to that time and there was a further increase in 1928-29. In 1929-30 there was a slight fall and the figures of 1930-31 and 1931-32 showed an increase. There was a further and a very marked increase in 1932-33 and 1933-34. The figures of crime relating to illicitly distilled spirits which stood at 979 cases in 1912 stood at 5,239 in 1933-34 an increase of 435 per cent. The number of cases of illicit manufacture of toddy during 1933-34 showed a slight fall as compared with the figures of 1932-33.

51. *Rationing arrangements.*—The *arrack* shops in the municipalities of Vizagapatam (including Pedda Waltair), Vizianagram and Bimlipatam of Vizagapatam District were sold in blocks under rationing arrangements as an experiment for a period of two years from 1st April 1929. The ration for 1929-30 was calculated at 5 per cent. less than the average consumption for the 5 years ending with 30th September 1928 and that for 1930-31 at 5 per cent. less than the quantity for 1929-30. A similar experiment was sanctioned for a period of 3 years from 1st April 1930 for the rural areas of Vizagapatam, Vizianagaram and Bimlipatam taluks and for Srungavarapukota and Anakapalli taluks. The actual consumption during 1930-31 was considerably less than the ration in all the areas, which was due mainly to economic depression. The consequential loss was considerable in the case of lessees of the shops in Anakapalli taluk and of rural shops in Vizianagaram and Bimlipatam taluks and on their representing inability to carry on their contract their licences were terminated with effect from 1st April, 1931. The shops concerned were sold individually on the same rationing arrangements for a period of one year from 1st April 1931. The experiment was continued in 1931-32 with a further reduction in ration by 5 per cent. of the quantity allowed for 1930-31. With effect from 1st April 1932 these arrangements were abandoned in Srungavarapukota taluk and continued in the other areas with further reduction in ration by 5 per cent. of the quantity allowed for 1931-32. The actual consumption continued to be less than the ration due to economic depression. The experiment had little to commend it. The arrangements were continued in 1933-34 with a further reduction in ration by 5 per cent. of the quantity allowed for 1932-33. But the experiment proved to be a failure and was abandoned from 1st April 1934.

52. *Experiments in prohibition.*—The experiment of closure of *arrack* shops in certain toddy drinking areas was in force in the taluks of Shiyali, Thiruthuraipundi, Tiruvadanai, Paramakudi, Tenkasi and Attur. The F. L. 2 shops at Shiyali, Thiruthuraipundi and Tiruvadanai were closed in order to prevent replacement of *arrack* by foreign liquor. As a further precaution against illicit transport of liquor from the belt shops in the dry areas of Ramnad district the supply to 8 border shops was rationed on the basis of normal consumption. In the Shiyali, Thiruthuraipundi, Tiruvadanai and Paramakudi taluks the experiment can be said to be more or less successful. In the Tenkasi and Attur Taluks, the experiment only led to the development

of serious Abkari crime and there was no chance of making it a success. It was accordingly abandoned in these two taluks from 1st April 1933.

The experiment of prohibition of sale of liquor to members of the hill tribes on the Nilgiris except on a medical certificate was continued during the year. Badagas and other hill men accustomed to drink found as usual no great difficulty in getting liquor surreptitiously through middle men and other sources. The experiment failed in its object of promoting the moral and material welfare of the hill tribes. There was abundant testimony, chiefly from planters, that the official prohibition tended to demoralise and impoverish those accustomed to drink. There was a general complaint among the hill tribes that the scheme had been forced on them by some of their leading men. Illicit distillation and kindred crime developed to a large extent. The growth of illicit distillation and the consumption of illicitly distilled liquor imported from outside were disquieting results of the conditions created by the experiment.

53. There was no temperance work of importance by private associations.

54. *Any important or new legislation or resolutions or bill in the Legislative Council.*—An important change was made during 1930-31 in the legislative control over transactions in dangerous drugs by the passing of the Dangerous Drugs Act of 1930. This Act has been brought into force from 1st February 1931 and assumes control over all transactions, whether internal or external, in manufactured drugs and coca leaf, over external transactions in opium and hemp and over the cultivation of the poppy, the manufacture and supply of opium and the cultivation of the coca plant. The Indian Opium Act and the Madras Abkari Act have been amended to a certain extent by Schedule II of the Dangerous Act Drugs Act. The Madras Abkari Act as amended in so far as it relates to hemp, will deal with the cultivation, and manufacture of, and internal traffic in and inter-provincial import and export of hemp and it ceases to have control over transactions in cocaine and its preparation s

During the budget debate of March 1934 a motion for the reduction of the allotment of Rs. 12,000 under "6 (a) Excise Superintendence A. Excise Commissioner—Pay of Officers " by Rs. 100 was moved in the Legislative Council to criticise the policy of the Government, regarding prohibition. The motion after debate was by leave withdrawn.

Officers of the Public Health Department were authorised to draw attention in their lectures to the effects of intoxicants on the human body and to the evil results of an excessive use of them.

55. *Convictions for drunkenness.*—There were 7,608 convictions for offences of which drunkenness formed a part in places in which the Town Nuisances Act was in force. The Madras City with 2,447 cases contributed 32 per cent. of the total number of such convictions. For further information in respect of convictions for Excise and Opium offences and those relating to country spirits during the years 1912-13, 1931-32 and 1932-33 please see statements IX and X.

56. *Excise Administration.*—The control of the Excise Administration in the Presidency was vested in the Commissioner of Excise who was also a Member of the Board of Revenue. The Commissioner had a Secretary who belonged to the cadre of Assistant Commissioner. The superior officers were two Deputy Commissioners (one I. C. S. and another on Rs. 1,400—75—1,550)

*8 Assistant Commissioners, 7 on Rs. 600—50—900 a month and one (on Rs. 1,000—100—1,200) in charge of sub-divisions comprising groups of districts. 60 Inspectors (on Rs. 325—525) in charge of circles forming parts of districts and one Inspector (Rs. 325—525) for supervision of Distilleries.

57. The functions of the Excise establishment were the supervision of distilleries, the prevention of illicit distillation and smuggling of spirit, the inspection of shops, the marking of licensed palm trees under the tree-tax system and the prevention of tapping from unlicensed trees. The sale of the right of vend of liquors of all descriptions to which the auction system applied were as a rule conducted by Land Revenue officers who were assisted by the Excise establishment with information as to reasonable prices for shops and farms, combination among bidders to reduce prices and similar matters. Collectors were generally responsible for the Excise Administration of their districts though relieved of preventive work by the officers of the Excise department who were in other respects their assistants for Excise purposes. Assistant Commissioners were relieved of direct control over distilleries and warehouses in the Presidency.

58. Calculated on the Census returns of 1931, the average total excise revenue in Madras was Re. 0-14-9 per head in 1933-34, of which nearly 86 per cent. was realised from liquor. In 1912-13 the average total excise revenue per head of population was Re. 0-12-9 and in 1933-34 Re. 0-14-9.

* One did duty as Secretary to the Commissioner of Excise and one Assistant Commissioner for Distilleries in the place of the late Abkari Deputy Commissioner.

CHAPTER II.

Bombay Presidency Proper.

59. *Excise Revenue.*—The total excise receipts (excluding revenue derived from excisable articles issued to Indian States) for the year ending 31st March 1934 amounted to Rs. 328·43 lakhs as shown below :—

	Receipts (in lakhs of Rs.)	Percentage of total excise receipts.
1. Country spirit	168·91	51·43
2. Toddy	59·85	18·23
3. Duty on rum, etc., manufactured in India and excise as foreign	8·93	2·72
4. Duty on malt liquors manufactured in India	·04	·00
5. Duty on commercial spirits, etc.	2·85	·86
6. License and vend fees on imported liquors, etc. (including receipts from commercial spirits).	18·12	5·52
7. Opium and its preparation	23·09	7·03
8. Hemp Drugs	19·24	5·86
9. Fines, forfeitures and miscellaneous	1·79	0·55
10. Recoveries from Government commercial undertakings	25·61	7·80
	328·43	100·00

In the previous year the total excise revenue amounted to Rs. 315·42 lakhs and the revenue realised from country spirit was Rs. 170·71 lakhs. The corresponding figures for the year 1912-13 were Rs. 188·65 lakhs and Rs. 145·65 lakhs, respectively.

This memorandum is concerned only with the first six items.

60. *Law regulating liquor traffic.*—The liquor traffic in Bombay was regulated by the Bombay Abkari Act of 1878 as amended by Bombay Acts III of 1892, I of 1903, III of 1905, XII of 1912 and IX of 1929. The Indian States in the Presidency except the states and Talukas in the Mahi Kantha which do not adjoin British Districts as a rule either leased their abkari rights to the Bombay Government, or managed their abkari matters in accordance with agreement made with that Government.

61. *Country Spirit.*—What is known in Bombay as " country spirit " was manufactured after European methods in large and well organised distilleries. The spirit was distilled either from the dried flowers of the *mahura* trees (Bassia Latifolia) or from molasses. The whole of the Bombay country spirit revenue was realised under the departmental supply system, described in the following paragraphs.

Departmental supply system.

62. *Dhadgaon and Nasik.*—Under this system the distilleries were worked and the liquor supplies to the licensed shops were managed departmentally. The price charged to the licensees for the liquor had been fixed by Government on the same principle as that for the areas supplied under the contract supply system. There were two distilleries working under departmental management, *viz.*, the Nasik Distillery and the Dhadgaon Distillery. The Nasik

Corrigendum to Memorandum on Excise (Intoxicating Liquors) Administration in India for 1933-34.

In the Memorandum on Excise (Intoxicating Liquors) Administration in India for 1933-34 *substitute* the enclosed statement *for* statement II (*a*) printed therein.

STATEMENT II (*a*).

Statement showing number and name of breweries, quantity of beer manufactured, rate of duty on beer, revenue accruing therefrom and quantity of beer issued from breweries during 1933-34.

Province.	Number and name of Breweries.	Quantity of Beer manufactured (Gallons).	Quantity of Beer issued from Breweries (Gallons):— For consumption within the province itself.	For export to other provinces in British India.	For export to Indian States.	Total issues (Cols. 4, 5 & 6).	Quantity of beer (of Indian manufacture) imported from other provinces (Gallons).	Total quantity of beer made available for consumption in each province (cols. 4 & 8).	Rate of duty per gallon.
1	2	3	4	5	6	7	8	9	10
									Rs. A. P.
Madras . . .	2 { The United Breweries Ltd., Ketti . The United Breweries Ltd., Nadu Vakkarai. }	212,904	213,526	8	4,221	2,17,755	21,387	2,34,913	0 12 0
Bombay (including Sind).	Nil .	Nil	Nil	No Brewery		Nil	12,676	12,676	0 12 0
Bengal . . .	Nil .	Nil	Nil	Do. .		Nil	12,173	12,173	0 12 0
Burma . . .	1. Mandalay Brewery .	187,321	184,873	Nil	Nil	1,84,873	Nil	1,84,873	0 8 0
Bihar and Orissa .	Nil .	Nil	..	No Brewery		Nil	601	601	0 8 0

Province.	Number and name of Breweries.	Quantity of Beer manufactured (Gallons).	Quantity of Beer issued from Breweries (Gallons) :— For consumption within the province itself.	For export to other provinces in British India.	For export to Indian States.	Total issues (Cols. 4, 5 & 6).	Quantity of beer of Indian manufacture) imported from other provinces (Gallons).	Total quantity of beer made available for consumption in each province (cols. 4 & 8).	Rate of duty per gallon.
1	2	3	4	5	6	7	8	9	10
									Rs. A. P.
United Provinces .	1. Ranikhet Brewery .	27,641	28,390	Nil	Nil	28,390	1,61,145	1,89,535	0 12 0
Punjab . . .	2 { Murree Brewery Co. Rawalpindi Dyer Meakin & Co., Solan.	805,158	307,106	425,834	4,981	7,37,921	374	3,07,480	0 12 0
C. P. & Berar . .	Nil .	Nil	..	No Brewery		Nil	18,941	18,941	0 12 0
Assam . . .	Nil .	Nil	Nil	Do. .		Nil	Nil	Nil	Tariff rate.
N.-W. F. P. . .	Nil .	Nil	..	Do. .		Nil	1,75,733	1,75,733	0 12 0
Delhi . . .	Nil .	Nil	..	Do. .		Nil	40,140	40,140	0 12 0
Ajmer-Merwara .	Nil .	Nil	..	Do. .		Nil	711	711	0 12 0
Baluchistan . .	1. Murree Brewery Co., Ltd., Quetta.	88,849	77,745	1,784	16	79,545	892	78,637	0 12 0
Coorg . . .	Nil .	Nil	..	No Brewery		Nil	1,510	1,510	0 12 0
C. M. S., Bangalore .	1. United Breweries, Ltd, C. M. S., Bangalore.	185,478	125,462	33,184	29,205	1,87,851	Nil	1,25,462	0 12 0
	Total .	1,507,351	946,968	460,810	38,423	14,36,335	446,283	13,83,385	..

NOTE.—The difference in figures given in columns 5 and 8 is due to—

(1) exclusion or inclusion, as the case may be , of amounts in transit at the beginning and end of 1933-34 and

(2) loss by wastage in transit.

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Distillery supplied in 1933-34 the whole of the Presidency proper except the Akrani tract of the West Khandesh District which was supplied from the Dhadgaon Distillery.

63. Liquor was supplied to retail vendors from a Bonded warehouse. The number of warehouses during the year under review was 34.

64. *Supervision of Distilleries.*—The Nasik Distillery was in charge of a Superintendent, and at the Dhadgoan Distillery there was a resident excise officer with a small subordinate staff whose duty it was to protect the revenue by checking the various processes of manufacture and passing the liquor out for consumption. With the exception of Sewri and Ahmedabad warehouses which were in charge of resident Inspectors, all liquor warehouses were in charge of Sub-Inspectors with a similar staff.

65. *Strengths of issue.*—Liquor was issued from the distillery for removal to the bonded warehouse at five strengths, *viz.*, over proof, 25° U. P., 30°U. P. 40° U. P., or 60° U. P. but liquor of over proof strength was reduced at the warehouse to the authorised sale strengths of 25° U. P., 30° U. P., 40° U. P., or 60° U. P. before it was issued to retail vendors. As a rule all liquor issued from the distillery to warehouses was at over proof strength.

66. *Rates of still-head duty.*—The rates of duty charged varied not only in different districts, but in parts of the same district. They ranged in the years 1932-33 and 1933-34 from Rs. 2 to Rs. 7-12 per gallon on spirit of 40° U. P. (corresponding to Rs. 3-5-4 and Rs. 12-14-8 per proof gallon) and from Rs. 2-7-0 to Rs. 7-14-0 and from Re. 1 to Rs. 5 per gallon on the 30° U. P. and 60° U. P. spirit respectively. The sale of 25° U. P. spirit had also been allowed at some border shops, the rate of still-head duty for such kind of spirit varying from Rs. 2-8-0 to Rs. 8-7-0. In 1912-13 they ranged from 12 annas to Rs. 5-4-0 per gallon on spirit of 25° U. P. and from 6 annas to Rs. 2-10-0 per gallon on the 60° U. P. spirit.

67. *Strengths at which liquor was sold.*—As stated in paragraph 65 liquor was sold ordinarily only at two strengths, *viz.*, 40° U. P. and 60° U. P. though in some cases the sale of 25° and 30° U. P. was allowed. In 1912-13 liquor was sold ordinarily only at two strengths, *viz.*, 25° and 60° U. P. but it was also sold at 40° U. P. in certain parts. The sales were subject to no maxima selling prices.

68. *System of disposal of shops.*—With the exception of those in the Akrani tract of the West Khandesh District shops were generally sold by unrestricted public auction but when satisfactory disposal by open auction was not found feasible they were disposed of under the tender system and by private negotiation.

69. *Rationing of shops.*—The system of rationing liquor shops, which was introduced from 1st April 1922, except in the Akrani tract was continued during the year, the rations for all districts being fixed at the same figure as for 1932-33. Shops were disposed of for a period of 12 months from 1st April 1933.

70. *Revenue, consumption and average taxation.*—The revenue realized under this system in 1933-34 amounted to Rs. 168·91 lakhs ; of this Rs. 102·42 lakhs were realized from duty and 66·49 lakhs from license fees. The issues of spirit amounted to 1,064,026 proof gallons. The average taxation was thus Rs. 15·87 per proof gallon of which Rs. 9·63 was derived from duty and Rs. 6·24 from license fees. In 1932-33 the revenue realised under this system amounted to Rs. 170·71 lakhs and the quantity of spirit issued was 1,055,627 proof gallons. The average taxation was thus 16·17 per proof gallon. In

1912-13 the receipts from spirits under the contract supply system amounted to Rs. 96·64 lakhs and the issues of spirit to areas under the same system amounted to 1,826,089 proof gallons. This gives an average taxation of Rs. 5-4-8 per proof gallon.

Toddy.

71. As in Madras, the Bombay toddy revenue was derived from two sources, *viz.*, tree tax on the palms from which toddy was drawn, and license fees for the right of vend ; but the total revenue obtained was much smaller than it was in Madras. In Madras fresh toddy was exempt from taxation, in Bombay no such exemption was allowed, as it was held that fermentation began in toddy as soon as it was drawn from the trees.

72. *Tree-tax.*—Tree tax was universal in the Bombay Presidency, but the rates charged per tree tapped varied materially in different districts, and even in parts of the same District. These rates were revised in 1933-34 and, as in the previous year, they were highest in Bombay itself and in parts of Thana, Bombay Suburban and Kolaba Districts, *viz.*, Rs. 14 on each cocoanut and palmyra tree tapped and Rs. 7 on each date and wild palm, and as low as 8 annas per tree in Kaira and Panch-Mahals Districts. The more common rate was from Rs. 7 to Rs. 9 for a cocoanut or brab and Rs. 3 to Rs. 4 for a date or wild palm.

73. The trees licensed to be tapped were indicated by numbers and marks. These were affixed by the licensees themselves under the supervision of Excise officers.

74. *Domestic consumption licenses, etc., in Kaira.*—In the Kaira District, licenses were granted to the owners of trees to tap on payment of tree-tax a limited number of trees for domestic consumption only. If shops were set up for sale of toddy, a license fee of Rs. 10 a year was imposed.

75. *Domestic consumption licenses in the Panch Mahals.*—In the Panch Mahals licenses for domestic consumption were granted on payment of a nominal tax of annas 8 per tree tapped, the number of trees allowed being not more than one tree for every two toddy drinkers. Uptil 1932-33 toddy was allowed to be sold only under tree-foot booth licenses granted at a fee of Re. 1 each per year but from 1933-34 toddy was allowed to be sold under booth or shop licenses granted under auction system on payment of tree tax and license fees.

76. *General license fee system.*—In the remaining districts the sale of toddy was conducted under the separate licensing system under which three kinds of licenses were ordinarily allowed—

(*a*) shop licenses ;

(*b*) tree foot booth licenses ; and

(*c*) domestic consumption licenses ;

These licenses were granted on payment of tree-tax and in the case of shop the tree-foot booth on payment of license fees in addition. Upto 31st March 1933 domestic consumption licenses in the Surat District were being granted free of license fee but from 1st April 1933 these licenses are being charged in addition to the tree tax, a license fee equal to the average license fee paid by shop and tree foot booth licenses in the locality.

77. There were, however, some variations in the way in which this system was applied to the different districts,

(1) In the Town and Island of Bombay the tappers were independent of the shopkeepers. They paid the tree tax and supplied the toddy as they pleased to shopkeepers. The shop licenses and tree foot booths were disposed of by open auction, also by tender or private negotiations according to circumstances.

(2) In all the remaining districts the system was uniform. The shopkeepers made their own arrangements with tappers who got tapping licenses on the application of shopkeepers and on payment of tree tax. In all these districts except Ratnagiri toddy shops were auctioned for a period of one year only from 1st August to 31st July. In Ratnagiri the period ran from 1st April to 31st March.

Licenses to tap and sell toddy at the tree foot booths were also disposed for a period of one year from 1st August 1933 to 31st July 1934 in all the districts except Ratnagiri where the period was from 1st April 1933 to 31st March 1934.

In the Presidency, except in the case of Surat District, licenses to tap a limited number of trees for domestic consumption only were issued to owners of trees on payment of tree tax only. In the Surat District these licenses were issued on payment of tree tax and license fees as in the case of shop and tree foot booth licenses.

(3) Maximum prices for the retail sale of toddy at shops and tree foot booths were abolished with the introduction of the auction system in all the above districts.

With a view to encourage the manufacture of *gul* from the juice of toddy trees, tapping of these without the payment of tree tax was permitted.

78. *Toddy receipts.*—The consumption of toddy was largest in Thana, Surat and Ratnagiri Districts and in the Town and Island of Bombay. The total revenue realised under this head in the year under report amounted to Rs. 59·85 lakhs, of which 21·24 lakhs were obtained from tree tax. In 1932-33 the total revenue amounted to Rs. 52·0 lakhs, compared with Rs. 19·96 lakhs in the year 1912-13.

Indian-made Foreign Spirit.

79. Rum, and other potable liquors, rectified spirits, spirits of wine, etc., manufactured in the Bombay Presidency or imported from other parts of India and treated as " foreign liquor " for fiscal purposes were assessed to duty at the rate of Rs. 25-10-0 per proof gallon and were sold under licenses for the vend of foreign imported liquors. The excise duty on Indian made perfumed spirits imported into the Presidency of Bombay was reduced from Rs. 60 per bulk gallon to Rs. 25-10-0 per proof gallon. The Indian made spirits manufactured in the Bombay Presidency or imported into the Presidency from other parts of British India or Indian States were assessed to duty at the rate of Rs. 10 per proof gallon in the case of medicinal preparations and Rs. 17-8-0 per proof gallon in the case of toilet preparations. Rectified spirit of Indian manufacture used for denaturation or industrial purposes under proper authority was exempt from duty. The use of duty free undenatured absolute alcohol and rectified spirit was also allowed to schools and colleges for teaching and research purposes. The duty on rum, etc., falling under this head amounted in 1933-34 to Rs. 8·93 lakhs, against Rs. 8·0 lakhs in the preceding year and Rs. 2,756 in the year 1912-13.

Malt Liquors manufactured in India.

80. There were no breweries in this Presidency.

Imported liquors.

81. These paid customs duty on arrival in India and the excise revenue was realised in the shape of vend (pass) fee at the rate of Rs. 1-8, 1-8, 0-12-0, and 0-6-0 per dozen quart bottles of spirit (except rectified spirit), denatured spirit, wine and beer, respectively, and Rs. 2 per dozen quart bottles of rectified spirit of proof strength when the liquor was in bottles and at the rate of Re. 1 per proof gallon of spirits, annas 12, annas 6 and annas 3 per bulk gallon of denatured spirit, wine and beer respectively when the liquor was in wood. This vend fee was levied at the time of clearance from the Custom House, in addition to the license fee charged for the right of vend at the shops. Fees at these rates were also levied on Indian-made foreign liquor manufactured in the Bombay Presidency or imported from other parts of India.

Besides vend (pass) fees, special fees at the following rates were levied on foreign liquor imported by persons other than those holding ' trade ' licenses.

" *When the liquor was imported in bottles.*

Rs.	A.	P.	
6	0	0	per dozen quart bottles of sparkling wines ;
4	8	0	per dozen quart bottles of spirit (including liqueurs and milk punch);
2	4	0	per dozen quart bottles of other wines';
1	0	0	per dozen quart bottles of beer, cider and fermented liquors."

When the liquor was imported in the wood.

3	0	0	per proof gallon of spirits (including milk punch) ;
1	2	0	per bulk gallon of wines other than sparkling wines ;
0	8	0	per bulk gallon of beer, cider and fermented liquors.

NOTE.—Sparkling wines and liqueurs were not imported in the wood.

The shop licenses were classified as (1) ' trade ' for supplying the trade only, (2) Retail " on " (in Bombay City only) ; (3) Retail " on " beer licenses (in mofussil only); (4) Restricted retail " off " with a minimum limit of sale of two gallons (in Bombay City only); (5) " off " with a minimum limit of sale of one pint ; and (6) " wholesale " denatured spirit with a minimum limit of sale of five gallons. In Bombay 59, 62 and 34 trade, retail ' off ' and retail ' on ' licenses were issued in 1933-34, whilst 5 trade and 148 " off " and one retail " on " licenses were issued in the mofussil. There were also special licenses for sale in hotels, refreshment rooms, travellers bungalows, clubs, etc. Except in the case of the trade and the denatured spirit licenses which were issued on payment of fixed fees, all other licenses were charged license fees quarterly calculated on the basis of sales in the preceding quarter according to the scale sanctioned by Government. Besides this quarterly assessment on actual sales, fixed license fees varying according to the circumstances of each case, were charged, except for retail " off " licenses. In the case of non-privileged " on " shops in Bombay the good-will was auctioned, in addition to the levy of quarterly license fees on sales. Licenses for the sale of foreign liquors at Military canteens established under the " Canteen Tenant system, " were charged license fees on actual sales of liquor at the same rates as were prescribed for other licenses.

The number of licenses for the sale of foreign liquor was 3,090 against 2,842 in the preceding year. The increase was mainly due to the increase by 94 of denatured spirit licenses and by 69 of temporary refreshment stall licenses and by 68 other special temporary stall licenses. There was a slight increase under the other classes of licenses.

The minimum strength at which foreign liquor could be sold in Bombay or in the mofussil was fixed at 35° U. P. in the case of gin and 25° U. P. in the case of other potable spirit. Spirits selling at not less than Rs. 55 per gallon and liqueurs which were obscured in strength were however permitted to be at strengths lower than 25° U. P.

82. *Imports and consumption of foreign liquors.*—The imports of foreign liquors into Bombay City by sea during the year under review, compared with those of the previous year and 1912-13 were as follows :—

Year.	Fermented Liquors.	Wines.	Potable spirits.
	Liquid gallons.	Liquid gallons.	Proof gallons.
1933-34	1,201,534	47,632	112,993*
1932-33	1,286,150	51,305	119,932†
1912-13	1,273,723	110,468	316,034

The following table gives the statistics of sales of potable foreign liquors in the year under report compared with those in the previous year and 1912-13.

Year.	Fermented liquors.	Wines.	Potable spirits.
1933-34	958,750	29,046	166,885
1932-33	936,216	29,463	175,588
1912-13	515,711‡	86,232	342,103‡

The decrease in potable liquors was mainly due as in previous year, to the high selling prices consequent on the continuance of the enhanced rates of both excise and customs duties, and the reduced resources of the people on account of trade depression and unemployment. It was also partly due to the greater use of *masala, i.e.*, spiced country liquor in place of foreign liquor and also to increased use of fermented liquors as a measure of economy. This was the reason for the increase in the consumption of beer.

Location of shops.

83. The number of liquor shops for the retail vend of country spirit increased from 1,651 in 1932-33 to 2,108 in the year under report. 458 additional shops were opened. Many of these shops were formerly opened and thus they were not new ones. Most of these shops were sanctioned on the recommendations of the Excise Advisory Committees concerned in places where they were required to meet the legitimate needs of the consumers or combat illicit distillation. Wherever new shops were opened, care was taken to ascertain previously the wishes of the local residents. Local advisory committees were constituted for the consideration of questions affecting the number and

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* Includes 3,709 proof gallons and 121 bulk gallons of liqueurs.
† Includes 3,066 proof gallons and 78 bulk gallons of liqueurs
‡L. P. Gallons.

location of liquor shops, both in Municipal and rural areas throughout the Presidency proper. The precise constitution of the Committee was determined by the Local Government. Ordinarily each of them had 9 members of whom 6 were non-official. The Government of Bombay ordered that no new shops were to be opened in any locality without their sanction which would be granted only in very exceptional cases. An outstill 'on' shop was opened at Redi in the Ratnagiri District especially for the sale of kaju and toddy spirits with a view to divert British custom from resorting to the Portuguese shops across the border. The opening had the desired effect inasmuch as some of the Portuguese shops on the border had to be closed for want of custom.

84. *Temperance activity.*—There were no genuine temperance movements in Bombay City or in the mofussil and licensees carried on their business in security as in normal times. An attempt was made to picket a foreign liquor shop in Belgaum camp but this had no effect on sales owing to the prompt arrest of the picketer by the police.

85. *Resumé of important Resolutions issued.*—(1) In connection with the excise arrangements for the year 1933-34, the rationing system was continued, the total ration for each district being fixed at the same figure as for 1932-33, and the district being continued as the unit of rationing. This ration was distributed by Collectors, the annual ration for each shop being fixed by them at the beginning of the year and adjustments being made from time to time between shops as required. No monthly rations for shops were fixed.

(2) The country spirit and opium shop licenses in the mofussil and toddy and hemp drugs shop licenses in the whole of the Presidency proper were disposed of by unrestricted auction sale, Collectors being allowed to use the following alternative or supplementary methods when satisfactory disposal by open auction was not found feasible :—

(*a*) auction with or without simultaneous tender ;

(*b*) tender ; or

(*c*) negotiation.

(3) The country spirit shop licenses in the Town and Island of Bombay were, as a special arrangement for one year only, renewed to the previous year's licensees.

(4) Foreign liquor "on" licenses in the Town and Island of Bombay were disposed of by auction.

(5) The limit of possession, sale and transport of country spirit was, with the object of preventing import from the lower rural to higher urban duty areas, reduced from three bottles to one in Belgaum City and Camp, Ahmedabad City, and in the Matheran Municipal area and from six bottles to three in the rest of the Belgaum Taluka.

(6) The closing hour of country spirit shops in the Presidency proper was extended from 8 P.M. to 8-30 P.M., as an experiment. This closing hour was applied to all Excise licenses which had the same closing hour as that of country spirit licenses.

(7) Country spirit shops in Poona City and Poona and Kirkee Cantonments were allowed to be kept open on public gazetted holidays.

(8) The strength of country spirit was raised as an experimental measure from 40° U. P. to 30° U. P. in the following areas, the duty on 30° U. P. being

kept the same as that on 40° U. P. and that on 60° U. P. being reduced so as to make it proportionate to that on 30° U. P. :—

(*a*) Thana District.

(*b*) Shirala Petha, Walwa, Tasgaon and Khanapur Talukas of the Satara District.

(*c*) Bijapur District.

(*d*) Madh, Jalwandi, Inglun and Ambegaon shops in the Poona District.

(*e*) Broach City, Ankleshwar Town and Broach Taluka.

(9) The stillhead duty on country spirit was, as an experimental measure, reduced by 20 per cent. in the Kaira, Nasik and Kanara Districts.

(10) The maximum strength of *masala* liquor was raised from 40° U. P. to 25° U. P., in the Town and Island of Bombay and all the districts of the Presidency.

(11) Revised rates of tree-tax on toddy producing trees were sanctioned for one year. Levy from the holders of domestic consumption licenses in the Surat District of a fee equal to the average license fee paid by toddy shops and tree-foot booth licensees in the locality was also sanctioned experimentally for one year.

(12) All foreign liquor " off " and " on " licenses in the mofussil, existing and new, which could be cancelled during their currency for breach of license conditions or which the Collector considered undesirable to renew to the existing holders, or their heirs or assigns, were ordered to be considered as new licenses for the purpose of disposal, and their good-will auctioned.

(13) The country spirit shops, Gadag No. 1 and Betgeri No. 1 in the Dharwar District, were managed departmentally during the year.

(14) The limit of possession, retail sale and transport of toddy was raised from one gallon to four gallons in the East-Khandesh District.

(15) The excise duty on Indian-made perfumed spirits—imported into the Presidency of Bombay was reduced from Rs. 60 per bulk gallon to Rs. 25-10-0 per proof gallon.

(16) The Superintendents of Excise in the Presidency proper were empowered to grant licenses, permits and passes under sub-section (1) of section 18-B of the Bombay Abkari Act.

(17) The control over the Dangs was transferred to the Government of India with effect from 1st July 1933.

(18) The leases of the Abkari administration of Ghodasar and Khadal Talukas in the Mahi Kantha Agency were terminated and the management restored to the Thakors concerned with effect from 1st April 1933.

(19) The excise control over the Sabarmati-Chappi section of the R. M. Railway line was retransferred to the Government of Bombay with effect from 1st September 1933.

(20) An outstill was established with effect from 1st April 1933 at Redi in the Ratnagiri District for the manufacture and supply of kaju and toddy spirits to the " on " shop at Redi.

86. *Offences against Abkari law.*—The total number of cases detected during the year under report was 8,380 against 7,967 in the previous year and 2,795 in the year 1912-13. Of these 7,887 and 7,431 and 1,282 related to liquor during the years 1933-34, 1932-33 and 1912-13, respectively, and the rest to hemp drugs and cocaine. Cases under " illicit distillation " alone accounted

for an increase of 566, the number of such cases detected during the year under report being 4,642, against 4,076 in the previous year. The increase was due to the increasing diversion of the drinking classes to illicit liquor mainly on account of the high prices at which licit liquor was sold and also due to excessive length of the *mahura* vacation. The vigilance of the Excise staff was also partly responsible for the increase. Cases under illicit importation, exportation and transportation decreased from 257 to 237 and those under " unlicensed sale " from 85 to 74, while those under " illicit possession " increased from 1,353 to 1,672. Cases under " miscellaneous offences " fell from 1,660 to 1,262.

Administrative Agency.

87. The administration of the Abkari Department was vested by the Bombay Abkari Act in the Collectors of Districts under the general control of the Commissioner of Excise assisted by a staff of a Personal Assistant and Superintendents of Excise, Distillery and Preventive Inspectors, Assistant Inspectors and Sub-Inspectors, ministerial officers (such as clerks and *karkuns*) and a force of constabulary staff. Certain powers under the Act were also conferred on officers of kindred departments, such as the Customs, Salt, Police and Forest, which rendered assistance in checking the manufacture, importation or sale of excisable articles in contravention of the Act. For the supervision of distilleries and bonded warehouses in the Presidency proper, the Presidency was divided into three circles, *viz.*, the Northern, Central and Southern Circles. The distilleries and bonded warehouses in each circle were placed in charge of an Inspector. The whole costof the distillery supervisi on establishment was debited to Government.

Average total Excise Revenue.

88. Calculated on the figures of the census of 1931 the incidence of the total excise revenue realised in the British Districts of the Bombay Presidency outside of Sind (*viz.*, 328·43 lakhs) was Rs. 1-13-3 per head, of which about four fifths were attributed to liquors. The incidence of total excise revenue per head of population in 1932-33 amounted to Rs. 1-12-0, as against 1·01 in 1912-13.

CHAPTER III.

SIND.

89. The total revenue for the year ending 31st March, 1934 amounted to 30·31 lakhs and was realized under the following heads :—

Heads.	Receipts in lakhs of Rupees.	Percentage of total Excise receipts, 1933-34.
1. Country spirit	13·84	45·66
2. Toddy	00·28	00·93
3. Duty on country rum, etc., manufactured in India and Excised as foreign	00·01	00·03
4. License and Vend Fees on imported liquors, etc., (including receipts from Commercial spirits)	4·35	14·35
5. Opium and its preparations	4·17	13·76
6. Hemp Drugs	5·87	19·37
7. Miscellaneous	1·79	5·90
	30·31	100·00

In 1932-33 the Excise revenue amounted to 31·15 as against Rs. 23·19 lakhs during the year 1912-13. In 1932-33 the revenue from country spirit amounted to Rs. 14·17 lakhs as against 14·13 lakhs in 1912-13. This Memorandum is concerned with the first four items.

90. The liquor traffic in Sind was regulated by the Bombay Abkari Act (V of 1878) as amended by Bombay Acts III of 1892, I of 1903, III of 1905, XII of 1912 and IX of 1929.

Country Spirit.

91. Until the year 1909-10, the revenue from country spirit was realized under the Distillery system corresponding with the "Free supply system" under which manufacture was completely separated from vend and there was no monopoly of either. From 1st April 1910, the system was replaced by one of "contract supply" such as was in force in 1933-34, in the greater part of the Presidency proper. Under this system the Province was divided into three contract areas comprising (1) the District of Karachi, (2) the Districts of Hyderabad, Nawabshah and Thar Parkar, and (3) the Sukkur, Larkana, Upper Sind Frontier and Dadu (newly created) Districts. Molasses and *mohwra* spirit were supplied to the Karachi and Hyderabad Districts and molasses spirit to other districts. The contracts for each of these areas were given out for a period of one year only (1910-11) and were renewed for the following year 1911-12. In 1912-13 the contracts for areas (2) and (3) were merged into one. From 1st April 1910 to 31st March 1918, a separate contract was also given out for the supply of *mohwra* liquor to the Karachi and Hyderabad Districts where alone such liquor was consumed. From the 1st February 1918 manufacture of country spirit in Sind ceased, pending the construction of an up-to-date distillery at Kotri and supplies were obtained by importation from outside Sind. The Government Distillery at Kotri re-opened on the 27th September 1922 and commenced manufacture in October 1922. The importation of country spirit from outside Sind then ceased. In 1933-34, Sind had one contract area. The (one year) contract regarding the manufacture of country spirit at the Government Distillery at Kotri expired on

31st March 1933. It was further extended by two years ending 31st March 3935.

92. *Arrangement of supply.*—Country spirit for supply to Sind, was manufactured at Kotri and distributed from the Kotri Distillery and Bonded Warehouses at Karachi, Kotri and Sukkur. The bases used were molasses (imported from Java) and *mohwra* upto 1925-26 and thereafter molasses only. At Kotri a patent still has been installed with modern accessory plant. The cost in the first instance was borne by the contractors but under the terms of the contract, the new contractor will take over the plant when the contract expires. The Distillery and Warehouse buildings were provided by Government and rented to the contractors. Before the Kotri Distillery commenced manufacture, spirit was being imported by Government from the Distilleries of Amritsar and Cawnpore, and distributed to retail licensed vendors through a distributing contractor. A steam heated pot still was also installed at the Kotri Distillery in 1925-26 for the manufacture of *masala* liquor.

93. *Still head duty, etc.*—The following were the sanctioned rates of still head duty in 1932-33 and 1933-34 :—

	Strength.	Rates of duty.	
		1932-33.	1933-34.
		Rs. A. P.	Rs. A. P.
Strong spirit	25° U. P.	8 0 0	..
Strong spirit	15° U. P.	..	8 0 0
Weak spirit	40° U. P.	6 4 0	6 4 0

In 1912-13, the rates of duty and the strengths at which both *mohwra* and molasses spirit were issued, were as follows —

	Strength.	Rates of duty.
		Rs. A. P.
Strong spirit	10° U. P.	5 0 0
Weak spirit	40° U. P.	3 4 0

94. *Retail vend.*—The retail vend licenses throughout Sind were sanctioned for one year. Under the auction system a minimum and not maximum selling price was fixed. The number of shops licensed for the retail sale of country spirit during the year under review was 249 as against 109 in the preceding year and 249 in 1912-13.

95. *Average taxation.*—Out of Rs. 13·84 lakhs realized from country spirit in 1933-34, Rs. 4·31 lakhs were derived from vend fees and the rest from still head duty. The issues for consumption amounted to 1,00,817 proof gallons bearing an average duty of Rs. 9-7-2 and a total taxation of Rs. 13-11-8 per proof gallon. The total consumption of country spirit and the total taxation per proof gallon thereon, during the preceding year compared with that of the year 1912-13 as under :—

Year.	Total Consumption in L. P. gallons.	Total taxation.
		Rs. A. P.
1912-13	228,204	6 3 1
1932-33	81,061	17 7 9

96. Toddy was sold in the towns of Karachi and its Suburb (Malir), Hyderabad, Sukkur and Kotri only. In the towns of Hyderabad and Sukkur, shops were licensed for the first time from 1st January 1923. The quantity of toddy sold in 1933-34 was 29,911 gallons against 23,639 gallons in the preceding year and 3,972 gallons in 1912-13, and the revenue realized was Rs. 28,304 as against 11,847 in the preceding year and 1,265 in 1912-13. Nine shops were licensed for the retail vend of toddy, 6 in Karachi and one each in Hyderabad, Sukkur and Dadu Districts. In 1912-13 there were only four shops authorized to sell toddy 3 in Karachi and one in Larkana. The supply of toddy depends upon the willingness of private owners of trees to allow them to be tapped for the purpose. The increase in consumption of 6,272 gallons was due to the fact that toddy, on account of its low selling price was gaining popularity particularly among the middle and labouring classes who were the chief consumers of this beverage. Supply arrangements were satisfactory. The tree tax system was not in force. The contractors held the combined privilege of tapping and vend. Stocks at shops were usually exhausted on the day of their arrival, so that toddy was consumed in comparatively fresh state. The palms tapped were situated at Malir and Jhimpir in the Karachi District, Kotri in the Dadu District and in the town of Sukkur. No State-owned trees were tapped.

Indian spirit excised at tariff rates.

97. In 1933-34, 447 proof gallons of rectified spirit were manufactured at the Kotri Distillery as against 525·4 proof gallons in the preceding year. Supplies of other kinds of spirit were obtained in small quantities from other provinces, and sold under the ordinary retail foreign liquor licenses. There were no breweries in the Province.

Imported Liquors.

98. The duty on Foreign Liquors, etc., imported by sea was credited to Customs. Excise revenue on these liquors was realized from the pass fee, fixed license fees for the right of vend, "good will" of retail "on" licenses and license fees assessed on the actual sales.

99. Ordinary vend licenses were of 3 classes, *viz.*, ordinary trade and import, retail "off" and "on" licenses. Ordinary trade and import licenses were granted only in Karachi town to the firms doing a large business. These licenses were granted on payment of an annual fee of Rs. 600 with permission to sell only to the Trade in the Bombay Presidency (including Sind) and any body outside the Presidency. A vend fee at the rate of Rs. 1-8-0, Re. 0-12-0 and Re. 0-6-0 per dozen quart bottles of spirit (except rectified spirit), wine and beer, respectively, for liquor in bottles, and at the rate of Re. 1 per proof gallon of spirit and Re. 0-6-0 and Re. 0-3-0 per bulk gallon of wine and beer, respectively, for liquor in the wood was also levied at the time of clearance from the Custom house. Fees at these rates were also levied on Indian-made foreign liquors, manufactured in the Bombay Presidency or imported from other parts of India. Special import licenses were granted to hotels and clubs at their request on payment of a fee of Rs. 100 in the first case, and without fee in the latter case to enable these institutions to import for their own needs but not for supply to other licensees or the public. Trade and Import (Land Frontier) licenses were granted in mofussil for the import of Indian made foreign liquor (by land) on payment of the annual fee of Rs. 25, Rs. 50 or Rs. 100 according to the volume of the business.

Retail " off " licenses permitting the sale of liquor in quantities of not less than half a pint at a time and prohibiting consumption on the premises were granted in all districts on payment of the license fees assessed on actual sales at the prescribed standard rates subject to a minimum of Rs. 250 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur, and Rs. 100 in the mofussil. In the case of new foreign liquor " off " shops the selection of the first licensees is determined by auction. Then they are continued to the same licensees subject to good management.

Restricted or special retail " off " licenses were granted to the old wholesale licensees who were authorized to sell to the public quantities of not less than one dozen quart bottles or two gallons at a time, on payment of license fee on actual sales at the rates prescribed for retail " off " licenses.

Retail " on " licenses and licenses for the sale of malt liquor of Indian and foreign manufacture were granted only in towns and their " good will " was auctioned. In addition to the good will they paid license fees on the actual sales subject to a minimum of Rs. 500 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur and Rs. 200 in the mofussil per annum.

Licenses for the sale of liquors in hotels and refreshment rooms (other than Railway refreshment rooms) were also granted at certain fixed fees according to their classification in addition to the license fees assessed on actuals sales. Hotels were charged Rs. 150 extra per annum for late closing hours.

Railway refreshment rooms and Dining Cars were charged fixed fees at the discretion of the Collector subject to the approval of the Commissioner in Sind in addition to the fees assessed on actual sales. Licenses were also issued for the sale of fermented liquor at Military Canteens established under the " Canteen Tenant System " on payment of license fee on the actual sales.

In 1933-34, 15 wholesale, 43 retail " off ", 14 retail " on ", 345 (48 permanent and 297 temporary) hotel, refreshment room and club, etc., 11 canteens and 6 beer licenses were issued. In 1932-33 the total number of such licenses issued was 367 against 205 in the year 1912-13. The retail " on " shops in the town of Karachi and Hyderabad and beer shops in all districts were disposed of by auction while the other permanent licenses were renewed to the previous holders.

The minimum strength at which foreign spirit was permitted to be sold was fixed at 35° U. P. for gin and 25° U. P. for other potable spirits. In 1912-13, the minimum strengths of spirit were the same, spirits sold at a retail price of not less than Rs. 50 per gallon and liqueurs obscured in strength were exempted from the restriction as to the minimum strength. For figures showing consumption of potable foreign liquor see statement II.

100. The following important changes relating to liquor were introduced during the year under report :—

(*a*) One foreign liquor " off " shop was opened at Naushahro Feroz from 1st April 1934.

(*b*) 140 new country liquor shops were opened in Sind from 1st April 1933.

(*c*) One canteen license was sanctioned at Karachi.

(*d*) The issue strength of country liquor was raised from 25° U. P. to 15° U. P. with effect from 1st April 1933 (*vide* Government Resolution, Revenue Department, No. 9628/28, dated the 16th January 1933).

(*e*) The closing hour of country spirit was extended to 10 P.M. experimentally, for one year, during summer.

(*f*) The levy of a fee of Rs. 20 for the exercise of privileges regarding transfer of licenses and admission of partners in the case of Trade and Import (Land Frontier Licenses) in Sind was sanctioned by Government (*vide* G. R., R. D., No. 9435, dated the 1st June 1933).

(*g*) The Commissioner in Sind prescribed levy of a fee of Rs. 50 in Karachi Town and Rs. 20 in the mofussal for the exercise of privileges regarding transfer of ordinary Trade and Import licenses and admission of partners therein (*vide* Commissioner in Sind's Notification No. E-2674, dated the 4th July 1933).

101. The number of offences relating to liquor was 228 as against 228 in the preceding year. Out of these, 110 related to illicit distillation as against 88 in the preceding year, which was due to the better detection work done by the Excise staff.

102. *Convictions for drunkenness.*—The number of convictions for drunkenness was 11 as against 15 in the preceding year.

103. As in the last year the number of Excise Advisory Committees was 39. Their chief recommendations were as given below :—

(1) Changes in the closing hour of country liquor, toddy, beer and foreign liquor " on " shops.

(2) Location of country liquor shops on main roads.

(3) Improvement of the flavour of country liquor.

(4) Opening of a beer shop at Gharhi Yasin (Sukkur District).

(5) Conversion of Frere Road " off " shop at Sukkur into an " On " shop.

(6) Opening of a foreign liquor " off " shop at Rohri (Sukkur District).

(7) Opening of a foreign liquor " on " shop at Mirpurkhas.

(8) Closure of 5 country liquor shops out of 14 provisionally sanctioned in Dadu District for the year 1933-34.

(9) Opening of a foreign liquor " Off " shop at Naushahro Feroz.

(10) Opening of a number of additional Excise shops and raising the strength of liquor from 25° U. P. to 15° U. P.

(1) On the above recommendations with effect from 1st April 1934 the closing hour of 10 P.M. for country liquor shops in summer was continued and that of toddy, beer and foreign liquor " on " shops was extended to 10 P.M. as an experimental measure. (2) Consideration of this proposal was postponed. (3) Experiment was made to improve the flavour of country liquor. (4 to 7) Rejected by the Commissioner in Sind. (8) In consequence of the recommendations 4 shops were closed and the rest allowed to continue. (9) One " off " shop was opened at Naushahro from 1st April 1934. (10) A number of additional shops was opened and the strength of the country liquor was raised from 25° U. P. to 15° U. P.

104. *Location of shops.*—The objections of residents to the opening of new liquor shops were invariably invited and they received due consideration. Proposals to open new shops were also referred to the Local Excise Advisory Committees.

105. *Administrative Agency.*—The collection of Excise Revenue was in charge of the Collectors of districts under the control of the Commissioner in Sind. A combined establishment was maintained for the protection of the Excise and Salt Revenues. The establishment was under the control of the Superintendent of Salt and Excise, Sind, aided by two Deputy Superintendents of Salt and Excise and the Superintendent of Salt Revenue for Sind, subject to the orders of the Commissioner in Sind. The Deputy Superintendents acted also as advisers in Excise matters to the District Collectors.

106. *Average total Excise Revenue.*—Calculated on the census of 1931, the average Excise Revenue for the year 1933-34 was Re. 0-12-6 per head of population; of this about three-fifths was derived from liquors. In 1932-33 the incidence of Excise Revenue per head of population calculated on the census of 1931 worked out to Re. 0-12-10 of which the proportion derived from liquor was the same as in the year under report. In 1912-13 the average Excise Revenueper head was Re. 0-10-6, of which about three-fifths was derived from liquors.

CHAPTER IV.

BENGAL PRESIDENCY.

107. The gross Excise revenue for 1933-34 was Rs. 134·63 lakhs and was realised under the following main heads :—

Heads.	Revenue (in lakhs of rupees).	Percentage of total Excise revenue.
1. Country spirit	37·12	27·57
2. Country fermented liquors (*tari* and *pachwai*) .	16·29	12·10
3. Foreign liquors (including Indian beer) . . .	15·63	11·61
4. Opium and its preparations	35·03	26·02
5. Hemp drugs	28·84	21·42
6. Miscellaneous	1·72	1·28
	134·63	100·00

In the previous year, the total Excise revenue amounted to Rs. 140·59, and the revenue realised from country spirit was Rs. 41·29 lakhs. The corresponding figures for the year 1912-13 were Rs. 137·59 and Rs. 64·10 lakhs, respectively (*cf.* Statements VII and VIII). The net revenue from Excise during the year 1933-34 shows a decrease of 2·1 per cent. on the corresponding figure for 1912-13 and a decrease of 4·2 per cent. on that of the preceding year. This Memorandum is concerned only with the first three items.

108. *Law regulating liquor traffic.*—The Bengal Excise Act, V of 1909, as amended by the Bengal Excise (Amendment) Act, VII of 1914 and the revised statutory rules published in Government Notifications Nos. 595-S.R., 596-S.R. and 601-S.R., dated the 30th March 1915, as amended from time to time, were in force throughout the Presidency.

Country Spirit.

109. *Definition of "Country spirit".*—The expression "Country spirit" in Bengal means plain unsophisticated spirit made from *mahua* and molasses and excised at special rates.

110. In 1912-13 the contract supply system was in force in the Burdwan, Presidency and Rajshahi Divisions, the Sadar distillery system in the Dacca Division, and the outstill system in the Chittagong Division. During that year 8·43 per cent. of the whole area was under outstill system and the percentage of population served by that system was 11·52 (see statement V). In 1931-32 and 1932-33 the right of manufacture and supply of country spirit to retail dealers throughout the Presidency was owned by 3 private distillers in the Presidency working under the English method. The distillers were formerly required to supply country spirit to retail vendors at a fixed price determined by tender. As, however, the price of raw materials fluctuated considerably and the distillers were unable to tender at firm rates for over long periods, the Government of Bengal modified the system, and directed that from the year 1921-22 the cost price to be charged by the distillers from the retail dealers should be fixed annually on a consideration of the "cost price of raw materials" and the "manufacturing charges". The system was gradually perfected and the present method of calculation and fixation

of the cost price of country spirit, which is based on the cost of raw materials every year and a sliding scale for manufacturing charges based on output, was finally approved by the Government in 1926-27 and came into operation from the 1st July 1926.

The contracts with the distillers for the supply of country spirit in Bengal were renewed for a period of two years from the 1st July 1933.

Spirit manufactured at these distilleries was conveyed to and stored in warehouses built by Government, and situated at district or sub-divisional headquarters, or at other suitable centres within the supply areas. Each warehouse was in charge of a Government officer and was suitably guarded. The operations of storage, reduction, blend and issue in the warehouses were performed by the distillers' employees under the supervision of the Government officer-in-charge. The spirit was conveyed from the distilleries to the warehouses under bond, and duty was levied upon it as it was issued to the retail vendors from the warehouses.

In the whole of the Presidency, the strengths for the retail sale and the retail vend prices of country spirit were fixed. Dilution by retail vendors was prohibited. The distillers were not allowed to have any interest in the retail business.

111. *Strengths of issues and rates of duty.*—The standard strengths at which spirit was issued to retail vendors from distilleries and warehouses varied during the year 1932-33 and 1933-34 in the Province as a whole, from 25° to 75° under-proof.

The duty varied in these years from Rs. 16-4-9 to Re. 0-5-6 per Imperial bulk gallon according to the strength, being highest in the districts of Calcutta, 24-Parganas, Howrah and Hooghly, Dacca and Mymensingh, and lowest in certain tracts inhabited by aboriginals in the Bankura and Midnapore districts in the Burdwan Division and by hillmen and others in the Darjeeling and Jalpaiguri districts and in the tea garden areas of the district of Chittagong. In 1912-13 the standard strengths at which spirit was issued to retail vendors varied, taking the Province as a whole, from 10° to 70° under-proof, and the duty varied from Rs. 5-10-0 to Re. 0-13-4 per gallon according to strength, being highest in Calcutta and lowest in certain backward tracts in the Burdwan Division. During 1933-34 duty on country spirit was increased throughout the Presidency. This increase in duty was due to a corresponding reduction in the cost price of country spirit.

112. *Retail vend arrangements.*—Licenses for the retail sale of country spirit in the whole of the Presidency were settled during the year 1932-33 under the " Bengal Licensing (Fixed Fee) System ", under which the retail prices for consumers were fixed, and the monthly license fee for a shop was calculated on the monthly issues thereto according to a sliding sacle, the rate of fee per L. P. gallon increasing with an increase in the total issues, thus securing a proper proportion of the monopoly value of each shop for the state. During 1933-34 the licenses were settled partly under the fixed fee system and partly under the auction system. In 1912-13, the right of retail vend in distillery areas was disposed of by annual auction, separately for each shop, except in Calcutta where licenses were auctioned every two or three years.

113. *Number of country spirit shops.*—In 1933-34 the number of licenses (permanent and temporary) for the sale of country spirit was 903 compared with 1,287 in 1912-13 a reduction of 29·83 per cent. and 916 in the year 1932-33 a decrease of 1·41 per cent. (*cf.* statement IV). In 1912-13, there was one

shop to every 35,340 inhabitants, whereas in 1933-34 there was one to every 55,261. The average population per shop thus increased by 56·37 per cent.

In 1912-13, the average area served by each shop was 61·15 square miles. In 1932-33 it was 77·06 square miles, and in 1933-34, 80·30 square miles.

Imperial Return III of the Bengal Excise Administration Report for 1932-33 shows 3 " distillers licenses " under the head " wholesale licenses for the sale of country spirit ". These represent licenses granted to the distillers to cover disposal of their liquor at the distillery or a warehouse.

In 1912-13, there were such 29 " distillers' licenses " for the manufacture and wholesale vend of country spirit.

114. *Consumption, Revenue from and average taxation on country spirit.*—Including receipts from distillery and vend license fees the total country spirit revenue for 1933-34 in the Presidency was Rs. 37·12 lakhs, whereas in 1912-13 it amounted to Rs. 64·10 lakhs (including Rs. ·83 lakh from outstill areas) and Rs. 41·29 lakhs in 1932-33 (see statement VII). The consumption of distillery liquor in 1933-34 was 246,246 proof gallons, against 851,534 proof gallons in 1912-13—a reduction of 73·79 per cent. in average consumption—and 271,005 proof gallons in the preceding year—a reduction of 9·25 per cent. in average consumption (*cf.* statement I). The average taxation per proof gallon in 1933-34 amounted to Rs. 15-0-11, of which Rs. 12-15-6 were derived from duty and the balance Rs. 2-1-5 from vend fees, etc., whereas in 1912-13 the corresponding figures of total taxation, duty and vend fees were Rs. 7-6-10, 4-7-10 and 2-15-0, respectively. The figures for 1932-33 were Rs. 15-3-0, 13-8-0 and 1-11-0 (*cf.* statement VI).

Country fermented liquors.

115. *Tari.*—*Tari* is the sap of the palm and is used either when freshly drawn from the tree or after fermentation. " Palmyra " and " date " palms are chiefly used for its production. There were no Excise restrictions on manufacture and sale of fresh *tari* except that in tree tax areas such *tari* must be drawn in vessels freshly coated internally with lime. The revenue from fermented *tari* was derived from shop license fees, and from a tree tax in certain areas. The tree tax system was in force in the Sadar and Serampore Sub-Divisions of the Hooghly district and the whole of the Howrah district. The system was extended to Calcutta and the major portion of the district of the 24-Parganas with effect from the 1st April 1926.

116. *Tree tax system.*—The system consisted of the levy of a uniform tax on each tree tapped for the production of fermented *tari*, in addition to a vend license fee for each shop which was determined by auction. The tree-tapping licenses were issued on the application of (1) licensed retail vendors, (2) tappers and (3) tree owners (for not more than three at a time up to a maximum of six trees for the whole year), and no *tari* was drawn from a tree until the latter had been properly marked.

The rates of tax per tree were as follows :—

Date tree	Rs. 2
Palmyra tree	Rs. 3
Cocoanut tree	Rs. 3

117. *Revenue and Licenses.*—The total revenue derived from *tari* in 1933-34 was Rs. 6·96 lakhs, compared with Rs. 4·5 lakhs in 1912-13 and Rs. 6·87 lakhs in 1932-33. In 1933-34, the number of shops licensed for the retail sale

of fermented *tari* only (restrictions on sale of fresh *tari* having been removed) was 460 against 853 in 1912-13, a reduction of 46·18 per cent. and 467 in 1932-33 a reduction of 1·5 per cent.

118. *Pachwai.*—*Pachwai*, otherwise, called "handia" or "marua" is a fermented liquor brewed from rice or millet. It is drunk chiefly by aboriginal tribes in several districts and is used both as a stimulant and as a food It is the favourite drink of the lower classes and particularly of the aboriginals. Except in Darjeeling, where *pachwai* is chiefly made from millet, rice is the material employed for its production.

119. The bulk of the revenue under this head was derived from licenses for "manufacture and retail sale" which were issued in the Burdwan and Presidency Divisions except in Calcutta, 24-Parganas, Jessore and Howrah. Outside the above two divisions there were such licenses only in the districts of Chittagong, Jalpaiguri and Darjeeling. The revenue from "retail vend license fees" and "home brew" licenses amounted to Rs. 8·57 lakhs, compared with Rs. 8·33 lakhs in 1912-13 and Rs. 10·19 lakhs in 1932-33. The number of licenses issued for "retail sale", "home brew (annual)" and "manufacture of *pachwai* on special occasions" was as follows :—

	1912-13.	1932-33.	1933-34.
Retail sale	1,407	1,135	1,132
Home brew	25,923	60,680	58,645
Manufacture on special occasions. .	716	542	493
Total . . .	28,046	62,357	60,270

The Bengal Fixed Fee System of settling *pachwai* shops, under which the monthly license fee is realised on a sliding scale based on the quantity of rice used in the manufacture, was in force in Burdwan, Birbhum, Bankura, Hooghly, Nadia and Murshidabad districts and partially in the Midnapur and Darjeeling districts. The system of detailed and scientific control over the manufacture and sale of *pachwai* in licensed premises which was introduced in 1919 continued in force. The administrative measures introduced in 1926-27 to further tighten up the control over manufacture and sale of the article in licensed premises, *viz.*, (1) the fixation of a minimum strength of diluted *pachwai* sold in shops, (2) revision of the prescribed measures of dilution, and (3) proper arrangements for frequent tests of the strength of diluted *pachwai* had the desired effect. *Pachwai* shops in the Rampurhat and Mammudbazar thanas of Birbhum and in the Raipur, Simlapal, Raniband, Khatra, Chatna and Indpur thanas of Bankura were settled by auction as an experimental measure with effect from 1st September 1933. The vendors of these shops were permitted to sell at prices lower than those fixed for shops under the fixed fee system. *Bakhar*, the fermenting agent, which was formerly under partial Excise control has been now declared to be an "Excisable article" for the purpose of the provision of the Bengal Excise Act, 1909 (Bengal Act V of 1909) throughout the Presidency except in the districts of Jalpaiguri and Darjeeling.

120. *Special concession to aboriginal tribes.*—Licenses permitting home brew of *pachwai* only for domestic consumption were granted in the districts of the 24-Parganas, Jessore, Dacca, Mymensingh, Bakarganj, Chittagong,

Rajshahi, Malda, Dinajpur, Pabna, Bogra, Rangpur, Jalpaiguri and Darjeeling in the Presidency. The rates of tax varied from Re. 1 to Rs. 2 per household per annum.

Besides such annual licenses, special permits were also granted to applicants for home brew of *pachwai* on special occasions, *e.g.*, marriages, etc., on payment of a tax of annas 0-8-0 per household on each occasion.

Free home brew of *pachwai* only for private consumption, was permitted to members of aboriginal tribes in a few districts during the annual *Bandhana* and *Pous Sankranti* festivals. It was also permitted to members of hill tribes in Darjeeling district up to limited quantity. This privilege which was previously in force in Jalpaiguri district was withdrawn during 1925-26.

121. *" Wanchu " a kind of fermented liquor prepared from rice.*—Licenses were granted to Chinese families in Calcutta, for the home brew of " Wanchu " (a fermented liquor prepared from rice) on ceremonial occasions on a tax of Rs. 2 per household on each occasion.

Foreign Liquors.

122. *Definition of " Foreign liquor ".*—The term " foreign liquor " includes imported liquors of all kinds and certain Indian-made liquors specially classified as " Foreign liquor ". It also includes rectified spirit, denatured and perfumed spirits and spirits used in drugs, medicines and chemicals.

123. The revenue of the Presidency from foreign liquors consisted of the duty on Indian made " Foreign liquors " levied under the Bengal Excise Act and the fees paid for the right of vend of both imported and Indian-made foreign liquors. The duty under the Tariff Act was credited to the Imperial Government (Customs). The duty on local manufacture was credited to the Provincial Government (Excise) and amounted in 1933-34 to Rs. 10·28 lakhs, against Rs. 2·38 lakhs in 1912-13 and Rs. 7·30 lakhs in 1932-33. The total receipts from license fees of foreign liquors were Rs. 4·26 lakhs compared with Rs. 3·47 lakhs in 1912-13 and Rs. 4·32 lakhs in 1932-33.

124. *Vend arrangements.*—The vend arrangements and the method of imposition and collection of tax on licenses for vend of potable foreign liquor were revised from April 1922. The main features are :—

(*a*) The abolition of the previous classifications of " wholesale ", " combined " and " retail " foreign liquor licenses and the substitution in their place of a " license for sale to the trade " and a " license for sale to the public ". Licenses for hotels, restaurants, cars and railway refreshment rooms were treated as " licenses for sale to the public ".

(*b*) All transactions between licensed dealers of foreign liquor either of Bengal or of any other province, had to be covered by a pass, and were conducted under a " trade license ".

(*c*) The license fee or license " tax " for sale to the " trade " was an annual fixed fee of Rs. 200 payable in advance and the tax for sale to the public was assessed every month at certain fixed rates on the quantity of liquor sold by " public licensees " to the public in Bengal in the preceding month.

The rates were :—

1. Re. 1-2-0 per bulk gallon brandy, whisky, gin and rum.
2. Re. 0-6-0 per bulk gallon of beer, ale, and cider.
3. Re. 1-2-0 per bulk gallon liqueurs,

From 1st January 1932, sales to public in other provinces outside Bengal were assessed at the rates quoted above, and the fees thus realised were shared in moiety with the following provinces, *viz.*, United Provinces, Assam, Central Provinces, The Punjab and Bihar and Orissa.

The minimum strength for sale of whisky, brandy and rum was 25° under-proof and of gin 35° under-proof.

No compounding or blending of foreign liquors was permitted, except in premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed vendors holding "trade" licenses on payment of fixed fees per annum. In the process of compounding and blending of brandy whisky, gin and rum in Bengal no spirit could be used except the following :—

(1) British spirit.

(2) Indian spirit.

(3) Scotch whisky.

(4) French brandy.

The bottling of foreign liquors was also permitted by such licensees under cover of a special license for which a fixed fee was charged.

125. *Number of licenses for the retail vend of potable foreign liquor, consumption and receipts from license fees.*—The total quantities of potable foreign liquors excluding medicated wines, sold to the public in Bengal by licensed dealers were as follows :—

	1922-23*.	1932-33.	1933-34.
Spirits	1,25,011	1,40,935	1,42,432
Wines	44,196	24,122	23,087
Beer	2,92,364	478,462	462,893

126. *Country rum.*—Indian made rum and rectified spirits were supplied from Rosa in Shahjahanpur in United Provinces and from the local distilleries at Russa and Bahir Mirzapur Road in Calcutta and from Asansol and Konnagar in the districts of Burdwan and Hooghli, respectively. The total quantity of country rum and rectified spirits issued for potable purposes in the Presidency during the year was 24,542 proof gallons of which 5,615 and 6,892 gallons were supplied from Rosa distillery and the rest from the local distilleries against 13,290 proof gallons in the preceding year. In 1912-13 the total quantity of rum and rectified spirits issued in the Presidency was 18,720 L. P. gallons.

127. *Country beer.*—No beer was brewed in the Presidency during the year under report. 12,271$\frac{2}{5}$ gallons of beer were however imported into Bengal from the Punjab over which duty at the rate of Re. 0-12-0 per bulk gallon (*minus* 10 per cent. transit wastage) was paid in the province of export for subsequent adjustment by book-transfer.

No special licenses were issued for the retail sale of beer.

128. *Denatured spirit.*—The limit of retail sale and ordinary private Possession of denatured spirit by private individuals was one Imperial gallon

* The figures of consumption of foreign liquor for 1912-13 have not been given, as they were not accurate. Figures of 1922-23 have been given as it was from this year only that licensed dealers of foreign liquor were required to furnish regular accounts of sales. The total receipts from license fees of potable foreign liquors were Rs. 4·08 lakhs against 4·16 lakhs in 1932-33 and 3·43 lakhs in 1912-13

and passes were required for import, export and transport in excess of this quantity. Possession in excess of one gallon was allowed only to persons licensed to sell such spirit or to use it for industrial purposes. The limit of possession by a retail licensee was 60 gallons. The fees for wholesale and retail vend licenses were Rs. 50 and Rs. 5, respectively, per annum. No fee was charged for possession of such spirit in large quantities for industrial or scientific purposes.

The ordinary denaturants prescribed were mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of ½ per cent. of each. But in denaturing spirit required for use in industries for which the above denaturants were not suitable, other ingredients could be used with special sanction in each case and subject to suitable excise restrictions. The use of undenatured spirit in processes in which denaturation of any kind was disadvantageous to the product manufactured was also permitted, where necessary, subject to certain restrictions regarding control.

With effect from the 1st August 1933, a fee of 8 annas per bulk gallon or Re. 1 per dozen quart bottles was levied on import and transport of ordinary denatured spirit manufactured in Bengal or imported from overseas or other parts of India. Such fees yielded a revenue of Rs. 1,83,547.

One case of dilution of ordinary denatured spirit was reported during the year. Several cases of denaturation of denatured spirit by distillation after treating the spirit with some chemicals were detected during the year and the question of finding out a suitable denaturant which cannot be separated from the spirit has been engaging the attention of this department. License fees amounted to Rs. 8,725 against Rs. 8,023 in the preceding year and Rs. 2,823 in 1912-13. The total quantity of denatured spirit both ordinary and special passed out from the Calcutta Custom House and the Asansol Distillery in Bengal was 227,454 gallons, compared with 227,043 gallons in 1912-13 and 358,640 gallons in 1932-33.

129. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured was exempted from the provisions of the Excise Act, relating to possession or sale, provided it was used as a scent and not as an intoxicant. But the manufacture of such perfumed spirit required an Excise license which was granted free of charge.

130. Rectified spirit could be sold wholesale by holders of foreign liquor "trade" licenses without any separate license. Foreign liquor "public licenses" did not cover the sale of such spirit. The issue of such spirit from a distillery or warehouse was prohibited except to licensed chemists or druggists, to persons specially permitted to obtain such spirit for medicinal, industrial or scientific purposes, or to persons holding licenses for the compounding and blending of foreign liquor. Chemists or druggists were licensed to sell rectified spirit, in retail quantities for medicinal, industrial or scientific purposes only. The fee for such licenses was Rs. 50 per annum.

Supplies of locally manufactured rectified spirit, at a special rate of duty were allowed to respectable chemists or druggists for the manufature of spirituous medicinal preparations.

12,660 L. P. gallons of rectified spirit, 60 L. P. gallons of absolute alcohol and 176 L. P. gallons of rum were issued duty-free for Government purposes. to various institutions for scientific purposes and for use in some hospitals In 1912-13 the quantity of rum and rectified spirit issued duty-free was 15,132 L. P. gallons and in 1932-33, 13,586 proof gallons of rectified spirit. 35 L. P.

gallons of absolute alcohol and 229 L. P. gallons of rum were issued duty-free.

Besides the above duty-free issues, 9,705 L. P. gallons of rectified spirit, 2,227 L. P. gallons of absolute alcohol and medicinal preparations containing 38,295 L. P. gallons of spirit were issued duty-free to charitable hospitals and dispensaries in the various provinces, while medicinal preparations and tinctures containing 70,562 L. P. gallons of spirit were sold by the various bonded manufactories, on payment of duty at Rs. 5 per L. P. gallon.

131. *Medicated Wines.*—Medicated wines and similar preparations containing foreign liquor were subjected to no Excise restrictions prior to 1906-07. Since that year, however, such preparations containing alcohol equivalent to 20 per cent. but not more than 42 per cent. of proof spirit can be sold only by (*a*) foreign liquor licensees or (*b*) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries who have been specially approved by the Collector and hold a special license in that behalf. If the preparations in question contain alcohol equivalent to more than 42 per cent. of proof spirits, they can only be sold by foreign liquor licensees. Such preparations containing alcohol equivalent to less than 20 per cent. proof spirit are exempted from Excise restrictions relating to sale.

132. *Sites of liquor shops.*—Sites of liquor shops were determined by Licensing Boards which functioned during the year in all the districts of the Presidency excepting the district of Darjeeling. Due deference was paid by these boards to the views of Municipal and other local bodies, and of large employers of labour. In the district of Darjeeling, where the local excise advisory committees continued to function, public opinion was similarly consulted in the matter of location of liquor shops. The President of a Board was empowered to give a casting vote and members were debarred from sending proxies to the meetings of the Board. In the district of Chittagong a representative of the Buddhist community was added as a member on the Excise Licensing Board.

133. *Excise Licensing Boards and Advisory Committees.*—The Licensing Boards exercised the powers of regulation of the number and location of premises for the retail sale of intoxicating liquors and drugs, and except in the district of Calcutta, the Boards were authorised to fix the hours of sale subject to certain restrictions.

134. *Work of Excise Licensing Boards and Advisory Committees.*—The Calcutta Board held four meetings during the year. It retained all the licenses of the previous year except those of one additional bar attached to theatre, one *charas* and of 1 foreign liquor restaurant and sanctioned 4 foreign liquor, public "off" 3 foreign liquor "off" licenses (provisionally), 1 siddhi, and 2 restaurants. The Board also approved the transfer of sites of 2 country spirit, 1 opium, and 2 foreign liquor shops. They considered and rejected objections made against the sites of 4 country spirit, 2 opium, 1 ganja, 1 bhang and 1 foreign liquor "off" shops. The Howrah Board disallowed objection against the existing sites of two country spirit and 1 *tari* shops and they rejected applications for 3 new foreign liquor "off" shops and 2 new opium, 1 siddhi, 1 ganja, 1 new restaurant and 3 new *charas* shops. Bally Board rejected application for a new ganja and opium shop. On the recommendation of the Sadar Licensing Board of the district of the 24-Parganas, which had jurisdiction over the whole of the district except the Barrackpur Sub-Division, the sites of 5 country spirit, 2 combined ganja and opium, 2 combined ganja, opium and bhang, 1 combined ganja and opium, 1 opium and 3 *tari* shops were changed; 2 *tari* shops were

abolished and 1 combined ganja, bhang and opium, 1 combined ganja and opium, 1 bhang and 1 opium shops were newly opened. The sites of 1 foreign liquor "off", 1 foreign liquor "on", 1 country spirit, 1 combined ganja, opium and bhang, 1 bar and restaurant licenses were changed, one bar license was abolished and 2 combined opium, ganja and bhang shops were newly sanctioned on the recommendations of the Barrackpur Licensing Board. The Rangpur Licensing Board sanctioned the transfer of the site of a combined country spirit and ganja shop. The Chittagong Board sanctioned the opening of a new combined ganja and opium shop and one new bar license to a restaurant. On the recommendations of the Dacca Board a bar license at the Cinema at the Dacca Cantonment was newly opened. The recommendations of the remaining Licensing Boards in the Presidency were accepted with the results noted below :—

Abolition.—6 country spirit, 2 combined ganja and opium, 6 *tari* 12 *pachwai*, 1 bhang, 1 charas and 1 foreign liquor "off" shops were abolished.

Change of sites.—The sites of 9 country spirit, 4 *tari*, 18 *pachwai*, 1 opium, 2 ganja, 1 foreign liquor "off" and 2 combined ganja and opium shops were changed.

New shops.—3 country spirit, 1 combined ganja and bhang, 3 *pachwai*, 6 opium and 9 ganja, 4 foreign liquor "off", 1 opium combined with ganja, 1 combined ganja, bhang and opium and 3 *tari* shops were opened during the year.

The Advisory Committees in the district of Darjeeling proposed the opening of 1 *pachwai* and 4 bhang shops. The proposals were sanctioned by this office.

135. *Any important or new legislation or resolution.*—There was no important or new legislation or resolution during the year.

136. *Temperance movements.*—Temperance organisations in Calcutta, especially, the Calcutta Temperance Federation, continued their activities as before. There was no serious attempt anywhere else to deal with the problem except by some Christian Missions and the Hillmen's Association in Darjeeling.

137. *Prosecutions and convictions.*—Including 405 cases pending in 1932-33, 13,430 cases were disposed of, of which 12,777 or 95·14 per cent. ended in conviction. The total number of persons arrested during the year was 15,338 compared with 11,782 in the preceding year and 3,401 in 1912-13. The number of persons convicted was 12,999 against 10,448 in 1932-33 and 3,016 in 1912-13 (*cf.* Statement IX). 4,537 persons were arrested for illicit distillation and 2,221 for "possession or sale of illicit country spirit" as compared with 2,729 and 1,843, respectively, in the previous year.

The arrests for "unlicensed sale of duty paid country spirit" decreased from 19 to 12. The prosecutions for "illicit posession of duty paid country spirit" increased from 5 to 17.

The prosecutions in connection with "*tari*" offences increased from 1,291 to 1,718. The offence was common amongst the *tari* drinking classes (especially the up-country people) of the Burdwan and Presidency Divisions. The arrests for "illicit manufacture, sale or possession of *pachwai*" decreased from 3,608 to 3,491. This offence was committed by the aborigines and semi-aborigines in the Burdwan Division and in the districts of 24-Parganas,

Calcutta, Nadia and Dinajpur and by the hill men of Darjeeling. In Jalpaiguri it was checked to a large extent by the administrative measure of issuing home-brew *pachwai* licenses to the tea garden coolies through the managers of tea gardens at the rate of Re. 1 per license.

138. *Administrative agency.*—The Excise Department in Bengal was re-organised and amalgamated with the Bengal Salt (Preventive) Department in April 1915. During the year the Department was in charge of a Commissioner of Excise and Salt, and the staff included, 2 Deputy Commissioners of Excise and Salt, one of whom was in charge of Calcutta as Collector of Excise, 16 Superintendents of Excise and Salt, one Excise Prosecutor, 45 Inspectors of Excise and Salt of whom 11 held charge of districts as Inspectors of Excise in charge and 247 Sub-inspectors of Excise and Salt, besides petty officers and peons. The Superintendents of Excise and Salt and Inspectors of Excise and Salt in charge of districts were directly subordinate to the Collectors of the districts and carried on the Excise administration of the districts under their general supervision.

139. *Average total Excise revenue.*—Calculated on the population according to the census figures of 1931, the average total Excise revenue of the Bengal Presidency was 4 annas and 3 pies per head in 1933-34, (of which more than a half was derived from " liquors ") as in the previous year. In 1912-13 the proportion of total Excise revenue to head of population was 4 annas 10 pies, of which nearly three-fifths were derived from " liquors ".

CHAPTER V.

BURMA.

140. *Excise Revenue.*—The total Excise revenue for the year 1933-34 was Rs. 80·14 lakhs made up as follows :—

Heads.	Receipts (in lakhs of rupees).	Percentage of total Excise receipts.
1. Country Spirit	5·03	6·3
2. Duty on wines and spirits locally produced and classed as foreign liquor	2·40	3·0
3. *Tari*	11·27	14·1
4. Other native fermented liquors	20·56	25·7
5. Duty on locally-brewed beer including license fees for the sale of such liquor exclusively	1·07	1·3
6. License fees for the sale of imported liquors other than beer, medicated wines and commercial spirit and of locally produced spirit (excised at the tariff rate)	3·22	4·0
7. Receipts from commercial spirits including denatured spirits and medicated wines	0·11	0·1
8. Opium and its preparations*	34·46	42·9
9. Fines, Confiscations and Miscellaneous	2·13	2·7
10. *Deduct*—refunds	0·11	0·1
Total	80·14	100·0

* Excluding sale proceeds of confiscated opium, but including cost price of Excise Opium at Rs. 18-4 per seer, which was omitted from the figures for 1912-13.

During the previous year, the total Excise revenue amounted to Rs. 84·54 lakhs. The revenue from liquors in 1933-34 represented 54·5 per cent. of the total Excise revenue against 56·9 per cent. in the previous year. In 1912-13, the total Excise revenue was 85·21 lakhs, and the revenue from liquors formed 50·4 per cent. of the total Excise revenue.

This Memorandum is concerned only with the first seven items.

141. *Law regulating liquor traffic.*—The liquor traffic in Burma was regulated by the Burma Excise Act, 1917. In Upper Burma, the sale to Burmans of any intoxicating liquor other than *tari* was prohibited. There was no such restriction in Lower Burma.

Country Spirit.

142. *Meaning of the term "Country Spirit".*—The term "Country Spirit" in Burma includes spirit manufactured at outstills and plain spirit manufactured at licensed distilleries and intended for issue to a licensed vendor of country spirit. In 1933-34 there were two distilleries in Burma manufacturing country spirit. Spirit in the form of plain spirit was supplied from these distilleries to areas which had been brought under the distillery system. Spirit in the form of "foreign" spirit was also issued from these two distilleries. In both cases the spirit was manufactured from jaggery or *tanyet* (unrefined palm sugar). During the year a third distillery was also licensed where spirit was manufactured from dates and raisins. This spirit was classed as "foreign" spirit. Issues in the form of country spirit were taxed at rates varying from Rs. 1-4-0 to Rs. 14-1-0 compared with Rs. 2-8-0 to Rs. 7 in 1912-13 per proof gallon. As high rates of duty combined with the low purchasing power of consumers were found to be giving an impetus to illicit distillation, the rates of duty on country spirit were reduced by approximately fifty per cent. from 1st July 1933 in three districts. Issues from distilleries in the form of foreign spirit were taxed at the rate of Rs. 17-8-0* per proof gallon. Spirit manufactured in other parts of India and imported into Burma was classed as 'foreign spirit' and taxed at Rs. 17-8-0 per proof gallon, if imported in bond. If Excise duty had already been paid in India, a differential duty equal to the difference between the Excise duty already paid and Rs. 17-8-0 per proof gallon was charged.

143. *Contract Distillery System. Its introduction and gradual extension.*—In 1905, a central distillery minimum guarantee system, on the lines of that formerly in force in Bombay, was introduced as an experimental measure in the Toungoo District and in parts of Mergui, Thaton and Tavoy. Under this system, the three areas first named were supplied with uncoloured rum (classed as foreign Spirit) from the distilleries at Toungoo and Moulmein, on payment of duty at Rs. 6 per proof gallon (the then tariff rate), while in the fourth area (Tavoy) the plain spirit produced in new distilleries established at Tavoy was classed as Country spirit, and taxed at the rate of Rs. 4 per proof gallon. These arrangements were however, not considered altogether satisfactory by the Government of India and from the 1st November 1906, the Tavoy distillery was closed and the minimum guarantee system was replaced by the contract distillery system for the supply of spirit in areas in which the outstill system had formerly been in force.

The contract distillery system is modelled on the system in force in Madras (see paragraph 6) and was introduced in the first instance into parts of the Toungoo, Thaton, Amherst, Tavoy and Mergui districts. It has since been gradually extended into several other districts, and in 1933-34, there were 25 out of 36 districts in the province so served. Of the twenty-one districts in Lower Burma there was only one district in 1933-34 to which the contract distillery system had not yet been extended, while in Upper Burma, owing to the prohibition of the sale of any intoxicating liquor other than *tari* to Burmans under the existing Excise Rules, the contract distillery system has

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* For issue to troops and the military police, a special rate varying from Rs. 3-8-3 to Rs. 5-5-0 per proof gallon was fixed for distillery as well as non-distillery areas. These rates were based on the average of the rates in force in distillery areas.

been extended cautiously only to those districts where there was an ascertained demand for distillery spirit from non-Burmans. There were five districts so served in Upper Burma in 1933-34.

144. *Distribution of supply contracts and rates of supply.*—In 1933-34, contracts for the supply of spirit to the twenty-five districts under the contract distillery system were distributed between the two working distilleries of the Province as follows :—

District.	Distillery to which allotted.	Period of Contract.	Rate of supply per proof gallon. Rs. A. P.
Toungoo	Moulmein Distillery	Three years from 1st July 1930	1 14 0
		One year from 1st July 1933	2 4 0
Thaton	Mandalay Distillery	Three years from 1st July 1930	2 6 0 and 2 10 0
			2 4 0 and 2 10 0
Do.	Moulmein „	One year from 1st July 1933	2 14 0
Do.	For areas of direct supply—Moulmein Distillery	Three years from 1st July 1930	2 4 0
Do.	Do.	One year from 1st July 1933	2 6 0
Salween	Mandalay Distillery	Three years from 1st July 1930	2 10 0
Do.	Moulmein „	One year from 1st July 1933	2 14 0
Amherst	Mandalay „	Three years from 1st July 1930	2 6 0 and 2 10 0
Do.	Moulmein „	One year from 1st July 1933	2 14 0
Do.	For areas of direct supply—Moulmein Distillery	Three years from 1st July 1930	2 4 0
Do.	Do.	One year from 1st July 1933	2 6 0
Tavoy	Moulmein Distillery	Three years from 1st July 1930	2 2 0
Do.	Do.	One year from 1st July 1933	3 4 0
Mergui	Do.	Three years from 1st July 1930	2 2 0 and 2 8 0
Do.	Do.	One year from 1st July 1933	3 4 0 and 3 6 0
Magwe	Mandalay Distillery	Three years from 1st July 1931	1 10 0
Mandalay	Do.	Do.	1 10 0
Myitkyina	Do.	Do.	2 8 0
Bhamo	Moulmein „	Do.	2 6 0
Katha	Do.	Do.	2 6 0 and 2 14 0
Bassein	Mandalay „	Do.	2 0 0
Henzada	Moulmein „	Do.	1 14 0
Maubin	Do.	Do.	1 14 0
Pyapon	Do.	Do.	1 14 0
Myaungmya	Do.	Do.	1 14 0
Rangoon Town	Do.	Three years from 1st July 1932	2 6 0
Insein	Do.	Do.	2 6 0
Tharrawaddy	Do.	Do.	2 6 0
Hanthawaddy	Do.	Do.	2 6 0
Prome	Mandalay „	Do.	2 8 0
Pegu	Moulmein „	One year from 1st July 1932	2 6 0
Do.	Mandalay „	One year from 1st July 1933	2 6 0
Akyab	Moulmein „	Three years from 1st July 1930	2 8 0
Do.	Mandalay „	One year from 1st July 1933	3 6 0
Kyaukpyu	Moulmein „	Three years from 1st July 1930	2 10 0
Do.	Mandalay „	One year from 1st July 1933	3 6 0
Sandoway	Moulmein „	Three years from 1st July 1930	2 12 0
Do.	Mandalay „	One year from 1st July 1933	3 12 0

145. *Distribution of spirit and its retail sale. Issue strengths and Rates of Duty.*—Twenty-one bonded warehouses of which ten were situated in the Tenasserim Division, three in the Arakan Division, three in the Irrawaddy Division and one in Rangoon Town and four in the Sagaing Division, have been constructed for the distribution of spirit. There were 210 shops in 1933-34, the same as in the previous year, for its retail sale. The number of such shops was 98 in 1912-13. The majority of the shops were sold by auction and the others were disposed of by tender. A fixed issue strength of 40 degrees Under Proof was in force in all the districts in Lower Burma and in the Magwe District in Upper Burma, and the fixed issue strength of 30 degrees Under Proof and 50 degrees Under Proof were in force in the Mandalay and Sagaing Divisions in 1933-34. As stated in paragraph 142 above, rates of duty were imposed equivalent to rates varying from Rs. 12-4-0 to Rs. 14-1-0 per proof gallon.

146. *Number and character of local distilleries.*—There were three distilleries licensed to work during the year 1933-34. The two old established distilleries at Mandalay and Moulmein manufactured both "foreign" spirit and country spirit. The new distillery opened at Insein for the manufacture of "foreign" spirit from dates and raisins worked only on a small scale. A Distillery Officer with a small guard was attached to each distillery and no spirit left the premises except under a pass signed by him. The distiller provided free quarters for this preventive establishment, and paid a fee of Rs. 50 for his licence. He could be called upon to deposit a sum, not exceeding Rs. 1,000 for the due fulfilment by him and his servants and agents of the provisions of the Excise Act and rules thereunder and of the conditions of the license granted to him.

147. *Licences for the vend of "foreign" spirit produced at local distilleries* — "Foreign" spirit produced at local distilleries was sold chiefly in shops licensed for the sale of foreign liquors generally. There were only three shops for the retail vend of locally manufactured "foreign" spirit exclusively. Wholesale licences for the sale of such spirit were issued at a fixed fee of Rs. 100 per annum while retail licenses were disposed of by auction. In 1933-34, five wholesale and three retail licences were issued for the sale of locally produced "foreign" spirit and the receipts therefrom amounted to Rs. 1,070. In 1912-13 nine wholesale and sixteen retail licences were issued and the receipts therefrom amounted to Rs. 0·23 lakh. Owing to the high rate of duty imposed on imported spirits combined with the economic depression there was a tendency for "foreign" spirit manufactured in India and Burma to displace imported foreign spirit, and the duty realised increased from Rs. 2·02 lakhs in 1932-33 to Rs. 2·40 lakhs in 1933-34. In 1912-13 the duty realised was Rs. 1·65 lakhs.

148 *Issues, receipts and average taxation in distillery areas.*—The total issues of spirit from the local distilleries in 1933-34 amounted to 71,323 proof gallons, of which 46,818 gallons were issued on payment of duty at country spirit rates, 8,516 gallons on payment of duty at the foreign spirit rate, 13,945 gallons on payment of the special rates of duty fixed for issues to troops and the military police, and 758 gallons free of duty. One thousand two hundred and eighty six gallons of rectified spirit also were issued to two firms of manufacturing chemists in Rangoon at a privileged rate of duty of Rs. 5 per London Proof gallon for the manufacture of tinctures and other spirituous medicinal preparations. The total realisations from duty on these issues were Rs. 5·03

lakhs of which Rs. 2·57 lakhs represented duty on issues at country spirit rates. In the preceding year the total issues of spirit from the local distilleries were 67,876 proof gallons, against 82,441 proof gallons in 1912-13. The total receipts from duty on these issues were Rs. 5·02 lakhs in 1932-33 and Rs. 4·09 lakhs in 1912-13. The licence fees realised in distillery areas in 1933-34 for the sale of spirit excised at " country spirit " rates were Rs. 2·34 lakhs. The average taxation thereon was Rs. 10-0-8 per proof gallon, of which Rs. 6-11-6 was realised from duty and Rs. 3-5-2 from vend fees. The average taxation per proof gallon in distillery areas during the previous year amounted to Rs. 7-7-3 (duty) and Rs. 3-12-6 (vend fees) or Rs. 11-3-9 in all, compared with Rs. 4-4-0 (duty) and Rs. 1-14-8 (vend fees) during the year 1912-13.

The average consumption of country spirit per 100 of the population in 1912-13, 1932-33 and 1933-34 was 0·47, 0·30 and 0·32 proof gallon respectively. (See Statement I).

Outstill Spirit.

149. The manufacture and sale of spirit under the outstill system were permitted only in remote places where there was an ascertained demand for such liquor, and where the shops could be constantly supervised by a magistrate or by an officer in charge of a police station or of a police outpost. The capacity of each still, and the number of days in a week or month during which distillation was allowed, were fixed by the Collector or other officer disposing of the licence. Spirit was distilled from cane-sugar, jaggery and *tanyet* (unrefined palm sugar) or rice. The privilege of manufacture and sale during 1933-34 was sold by auction.

150. *Number of outstills and shops and receipts therefrom.*—The number of outstill licences remained the same, *viz.*, 4 as in the previous year, there being two stills in Salween District, one in Amherst District in the Tenasserim Division and one in Insein District in the Pegu Division. The existing shops are estimated to serve a population of 50,866 persons over an area of 1,408·57 square miles. Each licence for the distillation of outstill spirit carried with it the privilege of retail sale of such spirit at the actual place of distillation. In 1912-13, there were 23 outstills at work in Burma, ten in the Arakan Division, three in the Pegu Division, nine in the Tenasserim Division and one in the Mandalay Division. For the percentage of area under, and population served by, the outstill system during the year 1912-13, 1932-33 and 1933-34, please see Statement V. The hill tribes residing in certain areas of the Tenasserim Division were exempt from some of the provisions of the law relating to country spirit. The receipts from outstills in the year 1933-34 amounted to Rs. 0·11 lakh, the same as in 1932-33. In 1912-13, they were Rs. 0·60 lakh.

Tari.

151. Licences for the retail vend of fermented *tari* are, as a rule, sold annually by auction ; but they can also be sold for a term of years not exceeding five. The number of shops licensed in 1933-34 was 510 and the fees realised therefrom amounted to Rs. 11·27 lakhs. In 1932-33, the number of shops licensed for the retail vend of fermented *tari* was 494, against 712 in 1912-13, and the fees realised therefrom amounted to Rs. 10·85 lakhs, against Rs. 7·21 lakhs in 1912-13.

Indian Fermented Liquor other than Tari.

152. Under this description are included *Hlawza, Khaung, Kazawye, Seinye, Uye, and Pe-ye.* These are manufactured from rice, fermentation being procured by the use of yeast or other ferment.

The hill tribes within the Salween District and the Hill District of Arakan and Chins, Karens and Kachins inhabiting certain tracts were exempt from the provisions of the Excise Act relating to the manufacture of country fermented liquor. These people habitually manufacture such liquor from rice for domestic purposes on festive occasions, and the liquor is not generally sold to outsiders. Elsewhere except in Rangoon Town, and parts of Insein and Hanthawaddy Districts, vend licences were disposed of by auction. The licences included the right of manufacture as well as that of sale at the place of manufacture. In Rangoon Town and in parts of Insein and Hanthawaddy Districts, a duty was imposed on the materials used in manufacture, at the rate of Rs. 4 per ten-gallon jar set up for fermentation. The licences were disposed of by calling for tenders. The duty realised in 1933-34 was Rs. 1·89 lakhs.

153. The number of licences issued in 1933-34 was 328 against 326 in the preceding year and 386 in the year 1912-13, and the total revenue including duty realised therefrom amounted to Rs. 20·56 lakhs against Rs. 24·44 lakhs, in 1932-33 and Rs. 19 28 lakhs in the year 1912-13.

Locally Manufactured Malt Liquor.

154. Licences to construct, work and possess a brewery after the English method were granted with the sanction of the Local Government. There was only one such brewery in Burma in 1933-34, that of Messrs Dyer Meakin and Company at Mandalay. A fee of Rs. 100 was charged for the brewery licence and an additional fee of Rs. 100 for the right of wholesale vend to shopkeepers. A duty of Re. 0-8-0 per gallon was charged on the liquor manufactured in the brewery, on a calculation of 54 gallons per hogshead. The quantity of beer issued in 1933-34 amounted to 184,873 gallons against 185,701 gallons in the preceding year and 241,449 gallons in the year 1912-13 ; and the duty realised during these years was Rs. 0·81 lakh, Rs. 0·91 lakh and Rs. 0·45 lakh, respectively.

155. *Vend.*—Retail licences for the sale of locally manufactured malt liquor exclusively were granted, either by auction or at the fees fixed by the Excise Commissioner. Such liquor could also be sold under general foreign liquor licences. Wholesale licenses for the sale of locally manufactured malt liquor like those for similar sale of locally-distilled spirit, were issued at a fixed fee of Rs. 100 per annum. Forty-one retail and two wholesale licences were issued in 1933-34 and the fees realised therefrom amounted to Rs. 0·26 lakh. In 1932-33, 35 retail and 2 wholesale licences were issued and the fees amounted to Rs. 0·23 lakh. In 1912-13, 24 retail and 9 wholesale licences were issued and the fees realised amounted to Rs. 9·21 lakhs, respectively.

Imported Liquors.

156. The Excise revenue on these was derived, as elsewhere, only from fees for the right of vend. Licences of the following kinds for the sale of

imported liquors were granted on payment of the fixed fees specified against each :—

	Lower Burma. Rs. per annum.	Upper Burma. Rs. per annum.
1. Wholesale licence	750*	250
2. General Shopkeeper's licence for consumption off the premises	1,000**	500
3. Hotel licence	100†	100
4. Bar and Refreshment Room licence	500‡	500
5. Proprietary Club licence	250	250
6. Railway Refreshment Room licence	100‡	100
7. Steamer licence— (a) Inland, (b) Interport	50	50
8. Dining Car licence	Rs. 25 to Rs. 100 as fixed by the Commissioner of the Division in each case.	

Retail licences for the general sale of both imported and locally produced spirit and fermented liquors were sold by auction in 1933-34. In that year 31 wholesale and 179 retail licences were issued for the sale of such liquors. In the year 1912-13, the corresponding figures were 51 and 173 and, in 1932-33, 35 and 173 respectively.

The licence fees realised for the sale of foreign liquors of all kinds amounted to Rs. 3·22 lakhs in the year under report compared with Rs. 3·96 lakhs in the preceding year and Rs. 9·77 lakhs in the year 1912-13.

Denatured Spirit.

157. Licences for the vend of denatured spirit increased from 282 in 1932-33 to 286 in 1933-34. There were 89 such licences in the year 1912-13. During 1933-34, 51,574 gallons were imported or denatured in bond after importation as against 85,499 gallons in 1932-33. In addition to imports from abroad denatured spirit was also imported coastwise from India. Statistics of imports of denatured spirit from India are not available. During the year no instance of the use of methylated spirit for human consumption was brought to notice. There were no issues of denatured spirit from Burma distilleries. Licence fees were Rs. 25 in Rangoon, Rs. 5 in the rest of Lower Burma and in Mandalay Town and Yenangyaung, and Re. 1 elsewhere and the revenue derived therefrom in 1933-34 was Rs. 2,088.

Rectified Spirit and Medicated Wines.

158. The number of licences issued for the vend of rectified spirit and medicated wines was 96 in 1933-34 against 104 in 1932-33. Licences were issued, in a few cases, to general dealers who were not pharmacists, the previous restriction confining sales to pharmacists, having been removed in 1924·

The Mandalay distillery supplied 726·04 London Proof gallons of rectified spirit, duty free, to the Officer-in-charge of the Army Medical Stores Depot. The Moulmein Distillery issued 31·68 London Proof gallons of rectified spirit, duty free, to scientific and other institutions.

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* In Rangoon Rs. 1,000 was fixed.

** In Rangoon Rs. 4,000; in Mandalay Rs. 1,000 and in Yenangyaung and Chauk Rs. 2,000 were fixed.

† In Rangoon Rs. 500 was fixed.

‡ In Rangoon Rs. 1,500 was fixed.

Imports of rectified spirits from other Provinces amounted to 88·2 London Proof gallons, on which a duty of Rs. 1,543 was realised and credited to Excise revenue in 1933-34. Licence fees from rectified spirits and medicated wines decreased from Rs. 3,176 in 1932-33 to Rs. 3,107 in 1933-34.

General.

159. It is provided in the Excise Act that in prosecutions under certain sections it may be presumed, until the contrary is proved, that the accused person has committed an offence under the section under which he is charged in respect of—

(*a*) any excisable article or any apparatus for administering any intoxicating drug or for the manufacture of any excisable article; or

(*b*) any material which has undergone any process towards the manufacture of an excisable article, or from which an excisable article has been manufactured; for the possession of which he is unable to account satisfactorily.

Under Section 16 (1) of the Act, the Local Government may by notification prescribe a limit of quantity for possession of any excisable article. Further, no person shall have in his possession any quantity of any excisable article in excess of the limit prescribed under sub-section (1), except under the authority and in accordance with the terms and conditions of—

(*a*) a licence for the manufacture, cultivation, collection, sale or supply of such article; or

(*b*) a permit granted by the Collector in that behalf.

In exercise of powers conferred by this section, the Local Government by Notification No. 77, dated the 18th September 1917 has prescribed the quantity entered in column 2 of the following table against each excisable article entered in column 1 as the limit, in excess of which no person shall possess such excisable article, save as provided by sub-section (2) of section 16 :—

(1)	(2)
(1) Country alcoholic liquor other than spirit and *tari*.	Four reputed quart bottles.
(2) Spirit included within the definition of country alcoholic liquor.	One reputed quart bottle.
(3) Foreign alcoholic liquor . . .	Two imperial gallons or 12 reputed quart bottles.

In Prome and Tharrawaddy Districts, the limit of possession for country fermented liquor other than *tari* was one reputed quarter bottle, and in Thayetmyo and Rangoon it was two reputed quarts. In Thayetmyo District and in some parts of the Sandoway District the limit of possession for *tari* has been fixed at two reputed quarts and in part of Thaton District at one reputed quart. But under section 17 of the Act, no person could have in his possession any quantity of any excisable article knowing the same to have been unlawfully imported, transported, manufactured, cultivated or collected or knowing the prescribed duty not to have been paid thereon. If, therefore, any person had in his possession even less than the quantity allowed by the notificaton referred to, or any excisable article which he knew to have been unlawfully imported, transported, manufactured, cultivated or collected, or

not to have had the prescribed duty paid thereon, he committed or abetted the commission of an offence punishable under either section 30 or section 37 of the Act, and under Section 44, the burden of proof was imposed on him of accounting satisfactorily for his possession of any quantity of such excisable articles.

160. *Changes introduced or under consideration, and important debates in the Legislative Council on Excise matters.*—No important debates on Excise matters took place in the Legislative Council in 1933-34.

161. *Convictions and offences in connection with alcoholic liquor and important seizures.*—In 1933-34, the number of persons arrested for offences in connection with alcoholic liquor rose slightly from 8,481 to 8,717 and of those convicted from 6,876 to 7,198 and the percentage of convictions to arrests also rose by 2 per cent. to 83. In 1912-13, the total arrests for all offences (against Excise and Opium laws) and the number of convictions amounted to 10,916 and 8,866, respectively. The percentage of convictions to arrests during 1912-13 was 81. There was increased activity in several districts. The biggest individual seizure was reported from Insein, *viz.*, 4,800 quarts of *seinye*, 156 quarts of country spirit and two complete stills. Convictions for drunkenness in Urban areas rose by 172 to 1,032 during the year under report. In Rangoon Town the number of convictions for drunkenness rose by 14 to 208 and, in Mandalay Town, fell by 18 to 56.

The total seizure of all kinds of illicit liquor in the Province in 1933-34 amounted to 39,987 gallons, compared with 51,057 gallons in 1932-33. In Rangoon Town alone, the total seizures were 3,369 gallons in 1933-34, against 11,876 in 1932-33, but the number of convictions rose from 472 to 556.

Location of shops.

162. The position of each town or village shop was determined by the local officers and was fixed, as far as possible, at the time of the sale of the licences. In non-Municipal areas, a notice inviting objections to a new shop had to be published before the shop was established and any objections received were, if not accepted, referred to the Divisional Commissioner. In Burma, all Municipal and Town Committees were constituted Excise Advisory Committees, and such committees examined proposals on which orders were passed by the Excise Commissioner as to the maximum and minimum number of licences to be issued within the Municipality. If the Excise Commissioner was not prepared to accept the recommendations of the Committee, the matter had to be referred to the Local Government for orders. These Committees also examined the location of existing and proposed shops.

Achievements of Excise Advisory Committees and the Temperance Movements.

163. The three years' programmes for the maximum and minimum number of licences of each kind to be issued within Municipalities and Towns were sanctioned for three years beginning from 1931-32. The Municipal and Town Committees for urban areas and village elders for rural areas were consulted, as usual, regarding the location of existing and proposed shops. In one or two instances Advisory Committees have for several years past declined to tender advice on the ground that their advice had not been accepted. There is no real justification for this attitude, for although the advice of the Advisory Committees was not accepted in every case it was always given due weight in arriving at a decision.

Administrative Agency.

164. The Excise revenue was formerly under the direct control of the Financial Commissioner, but the appointment of a Commissioner of Excise was sanctioned in 1905-06. The Financial Commissioner's connection with the Excise Administration ceased with effect from the 1st May 1927, in consequence of the coming into force of Burma Act I of the 1927, and the Excise Commissioner is now directly under the Ministry of Forests. The local administration rested with the District Officers, under the supervision of Divisional Commissioners, and in most districts there was an officer subordinate to the Deputy Commissioner in special charge of Excise matters who was designated Superintendent of Excise. In addition to the distillery establishments and Resident Excise Officers in charge of the Government opium shops, there was a large special preventive staff employed mainly for the purpose of dealing with smuggling and other illicit practices in connection with opium etc. To supervise this staff there was a central controlling officer, who was designated Chief Superintendent of Excise.

Incidence of Excise Revenue per head.

165. Calculated on the census returns of 1931 the average total excise revenue per head of the population in 1933-34 was Re. 0-9-9 of which nearly 54·5 per cent. was derived from liquors. The incidence of total excise revenue per head of the population during the preceding year amounted to Re. 0-10-5, against Re. 0-13-3 in 1912-13. In 1912-13, the receipts from liquor represented about 50 per cent. of the total excise revenue.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

CHAPTER VI.

BIHAR AND ORISSA.

166. *Excise revenue.*—The gross excise revenue for 1933-34 was Rs. 123·87 lakhs, and was realised under the following main heads :—

Heads.	Revenue (in lakhs of rupees).	Percentage of total Excise revenue.
1 Country spirit	49·02	39·5
2. Country fermented liquors (*tari* and *pachwai*)	24·69	19·9
3. Foreign liquor	1·04	·9
4. Opium and its preparations . . .	23·93	19·3
5. Hemp drugs	24·39	19·8
6. Miscellaneous	·80	·6
Total .	123·87	100·0

In 1932-33 the gross Excise revenue amounted to Rs. 121·81 lakhs and the receipts from liquors bore a percentage of 57·1 to it. In 1912-13 the gross Excise revenue was Rs. 104·01 lakhs, and the revenue from liquors represented about 66 per cent. of this revenue.

In 1932-33 the revenue from country spirit and its percentage to the total Excise revenue was Rs. 42·80 lakhs and 35·1, respectively, against Rs. 54·07 lakhs and Rs. 52·0 lakhs, respectively, in 1912-13.

This memorandum is concerned only with the first three items of the table above.

167. *Law regulating liquor traffic.*—The liquor traffic in Bihar and Orissa was regulated by the Bihar and Orissa Excise Act II of 1915, and the Bihar and Orissa Excise Amending Act of 1928.

Country Spirit.

168. *Definition of country spirit.*—In Bihar and Orissa the expression "country spirit" meant plain spirit which had been made in British India from materials locally recognised as basis for country spirit, namely *mahua*, rice, *gur* or molasses and on which duty had not been imposed at the rate fixed for the importation of spirit into British India.

169. *System under which country spirit revenue was realized.*—The manufacture and sale of country spirit were carried on under two systems, namely, the outstill system and the contract supply system. The revenue contributed by such systems in the years 1912-13, 1932-33 and 1933-34 is shown below:

	(In lakhs of rupees).		
	1912-13	1932-33.	1933-34
From outstills	16·11	5·14	16·11
Under contract supply system . .	37·96	37·66	32·91

170. *Description and extent of the outstill system.*—Under the outstill system a single licence covers the manufacture (by primitive Indian methods) and

sale of country spirit, the produce of a single still, at a fixed place. The localities where such manufacture and sale can be allowed are determined beforehand. Under Section II of the Bihar and Orissa Act II of 1915, the transport of outstill liquor into areas where distillery liquor is sold is prohibited, and any attempt to bring outstill liquor into these areas is punishable under section 47 of the Act. No outstill is allowed within five miles of a distillery area.

The right of working the still and selling its outturn (the "licence") was auctioned in 1933-34 by the Collector, subject to a reserved fee calculated on the estimated local demand on and outturn of, the shop and on the licence fees of the preceding years. The Collector could, however, in order to prevent monopoly or combination or for other sufficient cause, refuse to accept the highest or any other bid. No attempt was made under the outstill system to supervise the processes of distillation or to control sale prices, or to regulate taxation on liquor according to its strength or the quantity consumed, except in a very indirect manner. The capacity of the still to be worked in any outstill was defined in the licence for that outstill, and this served to fix to some extent a maximum quantity to be manufactured. An increase in the still capacity could be sanctioned for adequate reasons by the Collector. The licence did not confer a monopoly of sale over any definite area ; but that result was practically attained by the fact that shops were licenced at suitable distances from one another, the general rule being that no two outstills should be within five miles of each other.

This system was found necessary in thinly populated, jungly, or comparatively inaccessible tracts, which could not be supplied properly by distilleries or warehouses under the contract system, and in these parts of the country where special facilities existed for illicit distillation from *mahua* (Bassia latifolia) or for smuggling cheap liquor from foreign territory. In 1912-13 the areas under the outstill system were Palamau and Singhbhum and the major portions of Hazaribagh and Ranchi in the Chota Nagpur division, Angul and part of Sambalpur in the Orissa division, the Rohtas plateau (with a small tract adjoining it) in the Shahabad district of the Patna division, and the district of Champaran (except a small area in the Bettiah subdivision) and the Sitamarhi subdivision of Muzaffarpur in the Tirhut division.

The areas remaining under the outstill system in 1933-34 were the whole of the Angul district and in small areas in Shahabad, Champaran and Cuttack and in large areas in the districts of Gaya, Monghyr, Bhagalpur, the Santhal Parganas, Sambalpur, Hazaribagh, Ranchi, Palamau, Manbhum and Singhbhum. For the area and the population served by and the revenue realized from the outstill system during the years 1912-13, 1932-33 and 1933-34 see Statements V and VII.

171. *Contract supply system.*—In the rest of the province, except the Khondmals subdivision of the Angul district and the greater portions of the Kolhan estate in the Singhbhum district where no country spirit was allowed to be manufactured or sold, the contract supply system was in force. Under this system the monopoly of the supply of country spirit within a specified area or areas was granted under a contract, the contractor supplying the spirit, from specified places at prescribed rates of excise duty and wholesale prices, to licensed retail vendors only. The monopolies of supply were granted and the wholesale prices (usually described as cost price) were fixed after examination of tenders invited for the purpose, usually every 3 years.

172. *Manufacture and supply of country spirit under the above system.*—The manufacture of spirit in contract supply areas is carried on in private

distilleries which can be situated either within or outside the province. Every distillery in the province was under the supervision of an Excise officer with a small establishment as guard. With effect from the 1st April 1916, the distillers have been exempted from paying the costs of establishments maintained at the distilleries while on the other hand, they have to pay rent instead of only charges for repairs of buildings owned by Government. They are also required to provide residential quarters for the distillery and the warehouse staff.

There were five distilleries at work in 1933-34 all owned and worked by private licensees. In 1912-13, there were 11 distilleries at work, four owned by private persons and seven in Government premises. In 1933-34 spirit manufactured at the five distilleries, was wholly consumed within the province.

Spirit manufactured at the distilleries was conveyed to and stored in warehouses, built either by Government or by the distilling contractors, and situated at suitable places within the supply areas ; warehouses were also attached to two distilleries. The spirit was conveyed under bond, and duty was levied on it only when it left the warehouse on the requisition of a retail vendor. Each warehouse was in charge of a Government officer, who supervised all operations in the warehouse.

The number of bonded warehouses in the province in 1933-34 was 74, all of which were fed by the distilleries in Bihar and Orissa mentioned above. These warehouses were covered by 25 wholesale licences for the wholesale sale of country spirit, shown in column 6 of Imperial Table No. III in the Provincial Excise Administration Report for 1933-34. The licences in question were held by the distillers in all cases. In 1912-13, there were 85 bonded warehouses in the province, out of which 26 were fed by a distillery situated outside the province. These 85 warehouses were covered by 26 wholesale licences for the sale of country spirit to retail vendors.

Within the contract areas the strengths at which country spirit could be sold retail were fixed ; maximum prices above which spirit could not be sold were also prescribed, except for the areas where the retail prices were fixed under the sliding scale system. Dilution in shops was prohibited, except when specially permitted by the Commissioner of Excise ; such permission was granted only for the reduction of particular strengths to specified weaker strengths. Contractors for wholesale supply were not allowed to hold any retail country spirit shops within the areas of their contracts or within seven miles thereof.

173. *Strengths of issue and rates of duty in force.*—The standard strengths at which spirit was issued from distilleries and warehouses, and at which it could be sold by the retail vendors to the public, ranged in 1933-34 from 25° to 85° underproof. In 1912-13, the standard strengths at which spirit could be retailed ranged from 25° to 85° U. P. also. Calculated in terms of proof, the duty varied from Re. 0-15-0 to Rs. 8-12-0 per gallon in 1933-34 and Re. 1-9-0 to Rs. 3-2-0 per gallon (except in small area where it was Rs. 3-12-0 per L. P. gallon) in the year 1912-13.

174. *Detail vend arrangements.*—In the distillery areas except the Jamshedpur area in the district of Singhbhum the right of retail vend was disposed of by separate shops, each of which was put up to auction, subject to reserved fees calculated on the basis of the average monthly sale and the margin for gross profit, left after meeting from the maximum retail price prescribed, the aggregate of duty, cost price and reasonable shop expenses The Collector tried to settle the shops at fees at which it was possible to work

them without loss. In the Jamshedpur area, icences were settled without auction at fees fixed automatically in accordance with a sliding scale sanctioned by the Commissioner of Excise. Under this system licence fees were fixed on the basis of consumption, after deducting the amount of duty, cost price and shop expenses as well as a fair margin of profit to the vendors. The retail vendors were bound to procure their spirit from a warehouse maintained by the wholesale contractor for the area. Issues to retail vendors in quantities of less than a gallon at a time were not permitted. The number of shops licensed to sell by retail country spirit in distillery areas was 1,125 against 1,316 in 1932-33 and 1,512 in 1912-13. For the number of licences for retail sale of country spirit in contract and outstill areas, see Statement III.

175. *Consumption and average taxation.*—The country spirit revenue for 1933-34 in distillery areas was Rs. 32·91 lakhs of which Rs. 19·31 lakhs were contributed by duty and Rs. 13·60 lakhs by vend fees. In 1932-33 the total revenue from country spirit in distillery areas amounted to Rs. 37·66 lakhs against Rs. 37·96 lakhs in 1912-13. The consumption of distillery liquor during the year under review amounted to 504,233 proof gallons, against 455,763 proof gallons in the preceding year and 1,157,636 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in 1933-34 in the province as a whole was 1·66 proof gallons against 1·32 proof gallons in 1932-33 and 3·36 proof gallons in 1912-13. The average taxation per proof gallon in 1933-34 was (Rs. 6-8-3 of which Rs. 3-13-3 were derived from duty and Rs. 2-11-0 from vend fees) compared with Rs. 8-4-2 (Rs. 4-11-6 from duty and Rs. 3-8-8 from vend fees) in 1932-33 and Rs. 3-4-6 (Rs. 1-15-8 from duty and Rs. 1-4-10 from vend fees) in 1912-13.

Country fermented liquors.

176. *Tari.*—*Tari* is the sap of the palm tree, and is used either freshly drawn from the tree or after fermentation. Palmyra and date are the principle varieties of the palm trees from which *tari* is drawn. Licences to sell fresh *tari* were issued in 1933-34 on payment of a fixed fee not exceeding Rs. 5 per licence, for the season. The revenue from fermented *tari* was derived from shop licences and from tree tax. In 1933-34 the tree tax system was in force in the whole of the districts of Patna, Muzaffarpur and Darbhanga and in portions of the districts of Gaya, Shahabad, Saran, Champaran, Monghyr and Bhagalpur. This system consisted of the levy of a tax on each tree tapped in addition to vend licence fees for each shop which were imposed to place the different shops on an equal footing and which in a few cases were settled by auction. The rate of tree tax was Rs. 3 per palmyra and Re. 1-4-0 per date tree except in Gaya and Banka subdivision where it was experimentally fixed at Rs. 2 per palmyra and Re. 1 per date tree. In the district of Muzaffarpur the rate per palmyra tree in *Basanti* season (from October to March) was experimentally reduced to Rs. 2. Of the total revenue of Rs. 22,42,889 derived from *tari* in 1933-34, a sum of Rs. 35 only was derived from fresh *tari*, Rs. 13,10,512 from tree tax and Rs. 1,292 from rent of *tari* trees, either owned by the Government or over which the Government had the right of taxation, the balance was realized from licences for the sale of fermented *tari*. In 1932-33 the total revenue derived from *tari* amounted to Rs. 21·67 lakhs, against Rs. 12·66 lakhs in the year 1912-13.

177. *Pachwai.*—Pachwai otherwise called 'handia' is a fermented liquor brewed generally from rice, *mahua* or other grain. It is drunk chiefly by aboriginal tribes; and is valued both as a stimulant and as a food. It is a favourite drink in the Chota Nagpur division and the Santhal Parganas and with aboriginal tribes in parts of Champaran, Bhagalpur, Purnea, Sambalpur and Balasore.

The bulk (Rs. 2·22 lakhs out of Rs. 2·26 lakhs) of the revenue under this head was derived from licences for manufacture and retail sale which were disposed of by auction, the number and sites of the shops being previously fixed. In 1933-34 retail shops were confined to the districts of Monghyr, the Santhal Parganas, Balasore, Sambalpur, Hazaribagh, Ranchi, Manbhum and Singhbhum, and their number was 408, against 385 in the preceding year and 355 in 1912-13. These licences do not include home-brewing licences.

178. *Special concessions in backward areas.*—Free home-brewing of *pachwai* for home consumption was permitted at all seasons of the year and without any restriction of quantity in the Santhal Parganas and to aboriginal tribes only in the districts of Hazaribagh, Ranchi (except the municipal limits of Ranchi and Lohardaga and the notified area of Doranda and the Union Board areas of Bundu and Gumla), Palamau, Manbhum (except in five thanas in Dhanbad subdivision) and Singhbhum (except the Jamshedpur area) and also in the Banka subdivision of the Bhagalpur district. Home-brewing for domestic consumption without licence was prohibited in the remaining areas of the province. In the districts of Champaran, Bhagalpur, Purnea and Balasore, the home-brewing of *pachwai* for domestic consumption only was allowed under cover of annual licences granted to householders and subject to maximum limits of possession ; the limits were in Champaran, Bhagalpur and Purnea 4 seers undiluted or 12 seers diluted. In Champaran home-brewing without limit for domestic consumption only was allowed under licences granted to a village. The Collectors of Bhagalpur and Purnea were authorized to allow licence holders to brew without limit during certain days to be prescribed by the Collectors in areas in which they were satisfied that it was required on account of the Bandhana festival.

179. *Special occasions licences.*—Special licences could also be issued to any person on payment of a fee of annas 8 on occasions such as marriages, festivals, etc., for the manufacture of *pachwai* for domestic consumption up to such limit as the officers granting the licence considered reasonable. No limit was fixed in the district of Champaran. The officers empowered to grant such licences were the Collector, Excise Superintendent, Sub-divisional officer or other officer empowered by the Collector. The licence conferred no right to sell or barter any portion of the liquor covered by it.

The officers mentioned above could also, on special occasions, grant temporary permits for the possession of more than 4 seers of diluted *pachwai* (more than 8 seers of undiluted or half a maund of diluted *pachwai* in the district of Sambalpur) up to such limit as they considered reasonable, to be purchased from a licensed vendor. These permits, however, conferred no right to sell or barter any portion of the liquor covered by them.

Foreign liquors.

180. *Definition of foreign liquors.*—The expression foreign liquor has been defined to include imported liquors of all sorts, beer and other liquors manufactured in India which are sophisticated or compounded so as to resemble in colour or flavour whisky, brandy, gin or rum, or are made from special bases (such as malt or toddy) which are not recognised as basis for the manufacture of country spirit (*vide* paragraph 168 above) or are taxed at the tariff rate ; also denatured and perfumed spirits used in drugs, medicines or chemicals.

181. *Classification of revenue.*—The revenue from imported liquors consisted of the duty levied under the Indian Tariff Act, 1894, as subsequently amended and fees paid for the right of vend. The former was credited to

customs revenue, and the latter to excise. The duty on locally manufactured 'foreign liquor' was also credited to excise; but no such liquor was manufactured in the province during 1933-34. (The India-made foreign liquor was imported into this province from the distilleries and wholesale vendors of Bengal, from the United Provinces distilleries and warehouses, and from the Punjab breweries). The total amount of revenue realized in 1933-34 from foreign liquor of all sorts was Rs. 1·03 lakhs compared with Rs. 1·23 lakhs in the preceding year and Rs. 0·33 lakh in the year 1912-13.

182. *Vend arrangements.*—Licences for the sale of foreign liquors were chiefly of three kinds, *viz.*, (1) wholesale, (2) retail 'off' (*i.e.*, permitting sale for consumption off the premises only and in quantities of not less than one pint bottle) and (3) retail 'on and off'. Apart from these there were also various special licences for the sale of such liquors, *e.g.*, 'steamer,' 'dining car', 'railway refreshment room', 'dak bungalow', 'hotel', 'restaurant' or 'bar', 'late closing', 'denatured and rectified spirits' and 'medicated wines' licences. The total number of licences for retail sale of potable foreign liquors (imported) during the year under review was 206, against 193 in the preceding year and 125 in the year 1912-13. For the quantities of liquor sold under these licences, *see* Statement II.

The fee for a wholesale licence was fixed by the Excise Commissioner, subject to a minimum of Rs. 24 per annum. Retail 'off' licences were granted on payment of fees fixed with reference to past transactions. The number of retail 'on and off' licences, which were ordinarily settled by auction was kept within the narrowest possible limits and the licences were granted only in localities where there was a considerable population accustomed to foreign liquor. The special licences referred to above were granted on payment of fixed fees determined by the Board of Revenue or the Excise Commissioner. In the case of hotel and restaurant licences a minimum fee of Rs. 100 per annum was prescribed. The sale of whisky, brandy and rum by foreign liquor licensees at a strength lower than 25° under proof and of gin at a strength lower than 35° under proof was prohibited.

No compounding or blending of foreign liquors was permitted except on premises duly licensed by the Collector in that behalf. Such licences were granted only to licensed wholesale vendors of foreign liquors on payment of a fee of Rs. 300 per annum. The bottling of liquors was also permitted by wholesale licensees under cover of a special licence, for which a separate fee of Rs. 12 per annum was charged.

Premises for the sale of 'foreign liquor' were required to be kept entirely separate from shops for the sale of country liquor, and the grant of foreign liquor licences to country spirit vendors was, as far as possible, avoided.

183. *Country rum and beer, and other potable foreign liquors made in India.*—There were no breweries in the province, nor were foreign liquors manufactured in any of the distilleries. No special licences were issued for the retail sale of country rum, country beer or other potable foreign liquors manufactured in India, which were generally sold along with other imported liquors. For the quantities of beer imported into the province from other provinces, *see* Statement II(*a*).

184. *Denatured spirit.*—The limit of retail sale of denatured spirit and its ordinary possession by private individuals was fixed at one Imperial gallon and passes were required for its import, export and transport in excess of that quantity. Possession in excess of the same quantity was allowed only

to persons specially licensed to sell such spirit or to use it for business purposes. A retail licensee was not allowed to possess such spirit in quantities exceeding 60 gallons at a time, while persons using it for industrial purposes were allowed to possess it only up to such quantities as were specified by the Collector in such cases. The fees payable for wholesale and retail vend licences and for the possession of denatured spirit in excess of the limit of retail sale were Rs. 50, Rs. 5 and Rs. 2 per annum, respectively. Four licences for the manufacture of denatured spirit were granted to the proprietors of four private distilleries at Mankatha, Marhourah, Ranchi and Manpur during the year. There was a stock of 6,840 bulk gallons of denatured spirit out of the quantity manufactured in the preceding year in the beginning of the year under report. 63,435 bulk gallons were manufactured and 61,923 bulk gallons were issued during the year. This quantity of denatured spirit issued represented but a small proportion of the total quantity used in the province; many of the licensees obtaining their supplies from Calcutta and Asansole. The total quantity of denatured spirit sold was 27,292 gallons against 26,587 gallons in 1932-33 and 968 gallons in 1912-13. The use of denatured spirit steadily increased. Its use as an intoxicant was not suspected in any district. 410 licences for retail sale and 70 licences for its possession in excess of the ordinary limit were issued in 1933-34, against 379 and 57, respectively, in 1932-33 and 59 and 7, respectively, in 1912-13. The revenue from licence fees amounted to Rs. 13,995 against Rs. 1,890 in the preceding year and Rs. 399 in the year 1912-13. The ordinary denaturants prescribed by the rules were a mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of 1/2 per cent. of each; but in the case of denatured spirit required for use in industries for which the above denaturants were not suitable, other special ingredients could be used with the sanction of the Board of Revenue in each case and subject to suitable excise restrictions.

185. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured, was not subject to any restrictions relating to possession and sale. But the manufacture of such spirit required a licence, which was granted free of charge. No such licence was issued during 1933-34.

186. *Rectified spirit.*—Rectified spirit could be sold wholesale by holders of wholesale foreign liquor licences without any separate licence. Holders of retail foreign liquor licences were, however, prohibited from selling such spirit under these licences. No licence for the manufacture of rectified spirit was issued in the province during the year. Licensed chemists or druggists could sell rectified spirit in retail quantities for medicinal, industrial and scientific purposes only. The fee for such a licence was Re. 1 in case of sale up to 4 gallons and Rs. 10 for sale above this quantity.

187. *Medicated wines.*—Medicated wines and similar preparations containing alcohol equivalent to 20 per cent. but not more than 42 per cent. of proof spirit were sold either by (*a*) holders of licences for the sale of foreign liquor or (*b*) persons carrying on business as chemists, druggists, apothicaries or keepers of dispensaries and medical practitioners and other persons who had been specially approved by the Collector and held a special licence in that behalf. The fees for such a special licence was Rs. 50 per annum. Medicinal preparations containing alcohol equivalent to more than 42 per cent. of proof spirit could be sold only by foreign liquor licensees. Preparations containing alcohol equivalent to less than 20 per cent. of proof spirit were exempt from excise restrictions.

188. *Administrative changes.*—The principal administrative changes during the year were :—

(*a*) The conversion of some distillery shops into and opening of outstills in the districts of Gaya, the Santhal Parganas, Sambalpur, Hazaribagh and Ranchi with effect from the 1st April 1933, and in the Dhanbad subdivision of the district of Manbhum with effect from the 15th October 1933. In Sambalpur several other distillery liquor shops were converted into outstills with effect from the 1st July 1933 and the 1st September 1933.

(*b*) Reduction in the rates of duty and of maximum retail prices of country spirit generally throughout the province with effect from the 1st April 1933 and against in Sambalpur, Singhbhum, Monghyr and Manbhum with effect from the 1st June, 1st July, 15th September and 15th October 1933, respectively.

(*c*) Introduction of the system of assessment of licence fees in the case of retail sale of foreign liquor according to the quantity actually sold and in the case of denatured spirit on the quantity imported or transported with effect from the 1st April, 1933.

(*d*) Extension of the auction system for the settlement of country spirit shops previously settled under the sliding scale system throughout the province, excepting the distillery liquor shops in the Jamshedpur area of the district of Singhbhum with effect from the 1st April, 1933.

(*e*) Introduction of the *tari* tree tax system in Chapra town, Chapra mufassal and Revelganj thanas of the district of Saran, and extension to the whole of the Gobindganj, Sigouli, Bettiah, Jogapati, Majhawali and Sikta thanas of the district of Champaran and to the area covered by the Banka and Katoria circles in the south Gangetic portion of the district of Bhagalpur and continuance of the system in the areas where it was previously introduced or extended.

(*f*) Reorganisation of the excise department by the creation of an additional post of the Deputy Commissioner of Excise and Salt, and five new posts of Deputy Superintendents of Excise and Salt, in charge of districts by keeping unfilled 5 vacant posts in the cadre of Excise Superintendents and of 4 Deputy Superintendents to work under the Superintendents and of 12 additional posts of Inspectors by keeping unfilled 13 vacancies in the cadre of Sub-Inspectors temporarily as an experimental measure for the years with effect from the 1st October, 1933.

189. *Temperance and anti-Excise movement.*—There was practically no organised temperance movement in any district during the year. In Patna, however, the idea of temperance was gaining ground, mainly with the object of caste uplift. In the Santhal Parganas the Christian Missions of the district are said to have tried to impress upon those aboriginals who came in contact with the evil consequences of drinks and drugs. But it is believed that they failed in their attempt as they could not possibly make sober the Santhals for whom it was neither a sin nor a crime to drink. There was a lull in the anti-excise movement throughout the year. There was no systematic picketting of excise shops in any district but there were some sporadic cases of picketting. Excise shops at Digha and Dinapore in the district of Patna were picketted for a day but prompt action was taken by the Police at the instance of the vendor or the excise staff. In Muzaffarpur a volunteer began

to picket the excise shop at Katra but he was at once arrested and sent up under Section 17 (1) of the Criminal Law Amendment Act and sentenced to undergo rigorous imprisonment for six months. In Manbhum the Excise shops at Jharia were picketted for about two hours on the 31st August 1933. Prompt action was taken and the picketters were arrested.

190. *Convictions.*—4,935 persons were prosecuted for offences against the Excise and Opium Acts against 6,707 in the year 1932-33. The total number of persons arrested in 1912-13 was 1,816 and out of these 1,580 persons were convicted. 1,916 cases of illicit distillation were detected during the year under review, against 2,946 in the year 1932-33. *Pachwai* cases decreased from 1,009 to 778. The total number of persons convicted for offences under the Excise and Opium Acts during the year was 4,103 against 5,692 in 1932-33. The percentage of convictions to arrests was 83·1 against 84·8 in the preceding year and 87 in the year 1912-13. The number of persons convicted for offences relating to country spirit was 2,242, against 3,564 in the year 1932-33 and 798 in the year 1912-13.

191. *Location of shops.*—The sites of liquor shops were carefully selected in accordance with the procedure laid down in Sections 30 to 37 of the Excise Act, 1915, and rules made thereunder in consultation (*a*) with the magisterial and other local authorities, (*b*) with large employers of labour and (*c*) in municipal towns, with local Advisory Committees. These Committees were constituted with the Collector of the district (or, in less important towns, with the subdivisional or other officer not below the rank of a Deputy Collector) as Chairman and the Superintendent of Police (or in less important towns, some other Police Officer not below the rank of Inspector, specially deputed by the Superintendent as Member). The non-official element consisted of (1) the Chairman of the Municipality (or, in towns where the Collector or sub-divisional officer was the Chairman of the Municipality, the Vice-Chairman of the Municipality), and (2) one Municipal Commissioner for each ward in which it was proposed to licence premises for a liquor shop, such Municipal Commissioner being nominated by the body of Municipal Commissioners (in Municipalities not divided into wards, one Municipal Commissioner was nominated by the body of Municipal Commissioners). Since 1914-15 Advisory Committees are being formed for the rural areas of the districts of the Chota Nagpur division. The functions of these Committees are purely advisory, and the final decision as to the number and location of shops rests in every case with the Excise Commissioner, and the Board of Revenue. Changes are made by these authorities in deference to the views of the bodies mentioned above and to the opinion of the local residents. No liquor shop can be opened in or at the entrance of a bazar, or close to places of public resort, such as schools, hospitals, places of worship, etc., or in congested portions of a village.

192. *Licensing Boards.*—Licensing Board constituted for the first time in 1924-25, as an experimental measure, for the municipalities of Patna, Gaya, Chapra, Muzaffarpur, Darbhanga, Monghyr, Bhagalpur and Cuttack to exercise subject to the control of the Local Government all the powers and perform all the duties which are conferred and imposed upon the Collectors by sections 30 and 34 of the Bihar and Orissa Excise Act, 1915, in respect of the shops or the retail sale of country spirit and hemp drugs, continued during the year. They were vested with similar powers in respect of opium shops in the areas mentioned. The Boards were constituted as follows :—

(1) President—Chairman of the Municipality.

(2) One Member elected by the Municipal Commissioners from among their own number or from outside.

(3) One member nominated by duly registered temperance societies, if any, in the city.
(4) One non-official member of the Legislative Council, resident in the municipality.
(5) One member elected by the Principals and Head Masters of local Colleges and High Schools recognized by the Patna University or by the Education department of the Government.
(6) One member elected by the licensees of the town.
(7) One member appointed by the Collector to represent the labouring and consuming classes.
(8) *Ex-officio Secretary.*—The Superintendent of Excise and Salt.

During the year under report there was no meeting of the Licensing Boards for Monghyr and Cuttack as the Municipalities in these two districts were superseded by Government.

193. *Administrative Agency.*—After the appointment of a Commissioner of Excise in 1889, the Divisional Commissioners, under Section 33 of the Bengal Excise Act, VII of 1878, ceased to exercise control over the administration of Excise in their respective divisions. From the 1st April 1893, Commissioners of divisions were again brought into touch with Excise, and annual and other reports, and proposals involving any change in principle or policy were required to pass through them. During the year under review the Excise Commissioner worked under the general supervision of the Board of Revenue and was aided in district inspections by two Deputy Commissioners of Excise. The Collector was assisted in his work by a Superintendent or a Deputy Superintendent of Excise working immediately under his supervision ; one of the Superintendents was also employed in the Excise Commissioner's office as his Personal Assistant. The subordinate district agency consisted of Deputy Superintendents, Inspectors, Sub-Inspectors, Clerks, Petty Officers and Peons who were variously employed in the management of distilleries and warehouses, in the inspection of shops, in the collection of revenue and compilation of statistics, and in the detection and prevention of Excise offences, and who were controlled by the Superintendent or Deputy Superintendent of Excise acting under the orders of the Collector.

194. Prior to 1st October 1916, the work done in 1933-34 by Superintendent or Deputy Superintendent of Excise, was being performed by Deputy Collectors, but from that date the Provincial Excise staff and the Salt staff in the Orissa districts were formed into one body, and close service with a cadre of 23 Superintendents of Excise and Salt, was formed, whose pay on confirmation was fixed on a time scale of Rs. 300 to Rs. 850 by biennial increment of Rs. 50 with efficiency bars at Rs. 500 and Rs. 700. Above the time-scale was a selection grade of one post on Rs. 1,000. The posts of Deputy Commissioner of Excise and Salt (present pay Rs. 1,000—40—1,200 per month) were also created to give the Commissioner assistance in inspection, in supervision of the preventive staff and in the co-ordination of preventive operations in different districts.

195. *Incidence of Excise revenue per head.*—Calculated on the population according to the census figures of 1931 the incidence of Excise revenue in Bihar and Orissa including duty receipts on drugs exported beyond the province was 5 annas 3 pies per head in 1933-34 of which more than three-fifths was derived from liquors. Excluding receipts from export the incidence of revenue per head of the population was 5 annas 1 pie only. In 1932-33 the average total Excise revenue (including receipts from exports) per head amounted to 5 annas 2 pies compared with 4 annas 10 pies in 1912-13.

CHAPTER VII.

UNITED PROVINCES OF AGRA AND OUDH.

196. *Excise revenue.*—The Excise revenue of the United Provinces for the year 1933-34 was Rs. 132·13 lakhs and was realised under the following main heads :

	Receipts in lakhs of Rs.	Percentage of total excise revenue.
1. Country spirit	65·81	49·8
2. *Tari*, etc.	7·39	5·6
3. Duty on Indian made rum, etc.	4·00	3·0
4. Duty on Indian made beer, etc.	1·36	1·0
5. Fees for vend of European liquors	1·92	1·5
6. Opium and compounds	20·41	15·5
7. Hemp drugs	30·67	23·2
8. Miscellaneous	0·57	0·4
Total	132·13	100·0

In the previous year, the Excise revenue and the revenue realised from country spirit amounted to Rs. 123·12 lakhs and Rs. 58·12 lakhs respectively, against Rs. 126·17 lakhs and Rs. 84·06 lakhs in 1912-13.

In 1932-33, the revenue from country spirit bore a percentage of 47·2 to the total Excise revenue during that year, whereas in 1912-13, it represented 66·6 per cent. of the total Excise receipts.

This Memorandum is concerned only with the first five items mentioned above.

197. *Law regulating liquor traffic.*—The liquor traffic in the United Provinces was regulated by the United Provinces Excise Act (IV of 1910), as subsequently amended and by the rules framed thereunder.

Country Spirit—General.

198. *Definition of Country Spirit.*—In the United Provinces the expression country spirit means plain or spiced spirit which has been made in India from materials recognised as bases for country spirit and on which duty has not been imposed at the rate fixed for the importation of spirit into British India. The chief bases used for the manufacture of country spirit were the *Mahua* flower, and molasses. An admixture of these in varying proportion was also employed. The eastern districts preferred spirit manufactured from *mahua* or a mixture of *mahua* and molasses but the western districts generally preferred spirit distilled from pure molasses. The Tharus of Gonda and Bahraich districts and the Bhutias of Kumaun, used grain as a base for the production of spirit ; while the inhabitants of certain tahsils in the Naini Tal district manufactured *pachwai* or rice beer.

199. *System of management.*—The manufacture and sale of country spirit was carried on under the contract supply system and the outstill system, the former prevailing in 88 per cent. of the provincial area. The great bulk of the province including all the more developed and thickly populated districts, was under the contract supply system. The outstill system applied only to

the thinly populated and inaccessible tracts on the northern, eastern and southern boundaries. On the north, the outstill system included nearly the whole of the Garhwal district and on the north-east, it formed a protection belt between Nepal and the districts of Almora, Pilibhit, Kheri, Bahraich and Gorakhpur. On the south, it embraced the uplands of Mirzapur.

Apart from these systems, special exemption from the Excise laws and rules, was given in certain backward localities. The Bhutias were exempted while residing within the parganas of Dharma and Johar and at the Bholia Parao at Dharchula in the pargana of Askot in the Almora district and in pargana Painkhanda in the Garhwal district of the Kumaun Division, from all those provisions of the United Provinces Excise Act (IV of 1910) which prohibited or rendered penal the manufacture of liquor except under a licence and the possession of liquor in excess of retail quantities, provided that any liquor which they manufactured or possessed was used for domestic consumption only and not for sale. The inhabitants of those portions of parganas Jaunsar Bawar in the Dehra Dun district which lie outside the town of Kalsi and the cantonment of Chakrata were also exempt from the provisions of the Act, in so far as they were permitted to manufacture without licence for domestic consumption only and not for sale, spirit and fermented liquor known as *sur* and *rabra*, respectively, and to possess such spirit and fermented liquor in excess of retail quantities.

Country Spirit—The Contract Supply System.

200. *Manufacture.*—There were 9 distilleries which supplied country liquor in the United Provinces. Three of them have been remodelled from the old central distilleries which disappeared in 1921-22; they were situated at Allahabad, Fyzabad and Saharanpur; the buildings had been leased to small joint stock companies, whose members were for the most part local distillers; the actual distilling and other plant was the property of the companies; these distilleries manufactured country spirit by the pot still system. The remaining six distilleries were privately owned, one of them being situated outside the province at Nowgong, Central India; they carried on the manufacture of country spirit by the patent still system.

201. *Supply.*—Each firm of distillers was given the exclusive privilege of supplying country spirit at a fixed price to a particular tract for a limited period (usually three years). No payment was required from the distillers for the exclusive right of supply as the object was to secure to the public the supply of good spirit at a cheap and uniform rate.

In order to select a firm for each tract, tenders were called for showing the rates at which the different firms were prepared to supply country spirit in the area specified. But in order to prevent undue competition amongst the different firms, each of them was assigned a small reserved area, the rest of the province being open to competition by all; one of the conditions of the tenders however was that no firm could tender for the reserved area at a rate higher than what it asked for in the case of a tract in the competitive area. Contracts for the competitive area were usually allotted by Government to the firms tendering at the lowest rates, subject to the condition that no firm was to be assigned too large an area; Government reserved to themselves the power to accept or reject any tender without assigning any reason for doing so. The selected firm was bound to supply regularly spirit of the description contracted for and of the prescribed strength. Delay or failure rendered the supplier liable to penalties and all loss to Government were to

be made good at the contractor's expense. The spirit supplied was periodically examined and the supplier was bound to remedy any defects which might be found. Spirit below the standard quality was rejected and destroyed.

Further, the supply contractor had to sell spirit to licensed vendors at all places in his contract area where bonded warehouses might be established at the price agreed upon. This price did not include still head duty which Government could vary at any time during the contract. The contract rates during the year varied from Re. 0-15-0 to Rs. 1-6-0 per L. P. gallon. In the case of spiced spirit, the supply price was determined by the contractors themselves.

202. *Bonded warehouses.*—The supply contractors had to convey spirit under bond, at their own cost, to certain bonded warehouses situated at suitable places in the supply area and stored it there. Duty was levied on it only when it was issued from these warehouses to licensed vendors. Each warehouse was in charge of a Government officer who supervised all operations therein. The number of bonded warehouses in the province was 77 on April 1, 1933 as compared with the same number on April 1, 1932 and 55 on April 1, 1912.

203. *Wholesale depots.*—In addition to bonded warehouses wholesale depots controlled by supply contractors, were established in certain areas for the supply of spirit to retail vendors. Duty paid spirit obtained from the nearest bonded warehouse or distillery was stored in them. When spirit was issued from a wholesale depot, the price charged included in addition to the contract price and the still head duty, a depot charge, at a rate fixed by the Excise Commissioner (usually about 3 annas per L. P. gallon). Licensed vendors of areas where a higher rate of duty prevailed were not allowed to obtain spirit from a depot situated in a low duty area. There were 17 wholesale depots in 1933-34 as against the same number in the preceding year and 5 in 1912-13.

204. *Wholesale licenses.*—A licence for wholesale vend could only be granted by the Excise Commissioner. A wholesale vendor could purchase spirit only at the bonded warehouse specified in his licence; he might sell only to a retail vendor in the area for which he held a licence and might charge any price he liked for the same. The licence was granted free of charge. There was only one such licensee during the year.

205. *Retail licences.*—The number and location of excise shops continued to be determined by Excise Advisory Committees and Excise Licensing Boards as in previous years. These were non-official bodies appointed triennially. There were 31 licensing boards of which 29 were for municipalities and 2 for rural areas; half the members in the former were elected by the local municipal boards; the average membership was 11.

Till 1932 licensees were selected by licensing Boards in accordance with certain rules and principles; the licensee had to pay licence fees monthly in arrears in accordance with a prescribed scale based on the actual sales in the previous month and his continuity of tenure was assured so long as he carried out the conditions of his licence. It was found however that this "surcharge system" of settling shops had resulted in a large increase in illicit distillation which was further enhanced by economic distress and the spirit of lawlessness promoted by the civil disobedience movement; its only result had been to promote intemperance.

Accordingly it was decided in April 1932 on the advice of the Provincial Excise Advisory Board to introduce the system of the settlement of shops

by auction with the highest bidder as an experimental measure in 16 districts where illicit distillation was most rampant. It was found that the new auction licences lowered the price of licit liquor in order to reduce the temptation to manufacture or buy illicit spirit, and further, they, in their own interest gave willing support to the preventive staff in detecting illicit distillation. The result was that the sale of licit spirit increased, at the expense of that of the illicit article. Consequently the auction system was extended to the remaining 32 districts from April-May 1933.

206. *Still Head Duty.*—From April 1, 1933, still-head duty on country spirit issued in areas under the contract supply system was levied at the following rates :—

	Rate of duty per L. P. gallon. Rs. A. P.
For consumption in the towns of Dehra Dun, Rajpur, Mussoorie, Meerut, Agra, Bareilly, Cawnpore, Benares, and Lucknow	10 0 0
For consumption in the districts of Saharanpur, Muzaffarnagar, Bulandshahr, Aligarh, Muttra, Mainpuri, Etah, Bijnor, Budaun, Shahjahanpur, Pilibhit, Farrukhabad, Fatehpur, Jaunpur, Ghazipur, Ballia, Azamgarh, Unao, Rae Bareli, Sitapur, Hardoi, Kheri, Fyzabad, Gonda, Bahraich, Sultanpur, Partabgarh, Bara Banki, Dehra Dun (except towns of Dehra Dun, Rajpur and Mussoorie), Meerut (except town of Meerut), Agra (except town of Agra), Bareilly (except town of Bareilly), Moradabad except Darihal town), Etawah (except trans-Chambal tract), Cawnpore (except town of Cawnpore), Allahabad (except old Bara tahsil and that portion of Meja Tahsil except Chilbila shop, lying south of Allahabad-Mirzapur Railway), Benares (except town of Benares), Mirzapur (except Hallia circle and distillery area of Robertsganj tahsil), Gorakhpur (except Mahrajganj tahsil and part of Padrauna tahsil, north of Captainganj-Padrauna-Bansighat road), Basti (except the Trans-Rapti tract), Lucknow (except town of Lucknow)	7 8 0
For consumption in :—	
(*a*) the town of Naini Tal	7 8 0
(*b*) the tahsils of Sittarganj and Khatima of the Naini Tal District	5 5 0
(*c*) the rest of the Naini Tal District	6 4 0
For consumption in the town of Jhansi and the district of Almora	6 4 0
For consumption in the districts of Jhansi (except Jhansi town), Banda, Hamirpur and Jalaun	4 8 0
For consumption in the town of Darihal district Moradabad, in the Trans-Chambal tract of the Etawah district in the Maharajganj tahsil and part of Padrauna tahsil north of Captainganj Padrauna Bansighat Road, district Gorakhpur in the Trans-Rapti tract of the Basti district and in the Garhwal district	5 0 0
For consumption in Old Bara Tahsil and that portion of Meja tahsil (except Chilbila shop) lying south of Allahabad-Mirzapur Railway district Allahabad and in Hallia circle and Distillery area of Robertsganj tahsil district Mirzapur	1 13 0

The expression "town" includes the area within the municipal or town boundaries, the area within the cantonment boundaries (if any) and all places within a distance of two miles from the nearest point of either of the aforesaid boundaries.

Where the rate of duty for a town is not given separately but only that for the district is given the latter applies to the town as well.

An export duty of 2 annas per L. P. gallon was levied on all exports of country spirit.

207. *Revenue, Consumption and average taxation.*—The total issues to contract areas in 1933-34 amounted to 470,120 proof gallons. The revenue realised therefrom was made up of Rs. 37·22 lakhs from duty and Rs. 26·78 lakhs from vend fees. The average incidence of taxation amounted to Rs. 13-9-11 per proof gallon of which Rs. 7-14-9 represented duty and Rs. 5-11-2 vend fees, etc. In addition to this 31,994 L. P. gallons of country spirit were exported to other provinces and Indian States. In 1932-33 the total quantity of country spirit issued in contract areas amounted to 443,403 proof gallons. The total revenue realised therefrom was Rs. 56·37 lakhs and the incidence of taxation amounted to Rs. 12-11 4 per proof gallon of which Rs. 7-11-6 were derived from duty and Rs. 4-15-10 from vend fees, etc.

The total issues in the ordinary and contract distillery areas taken together in 1912-13, amounted to 1,689,932 proof gallons and the total revenue realised therefrom was Rs. 82·60 lakhs. The total average taxation per proof gallon amounted to Rs. 4-14-2 of which Rs. 3-3-4 were obtained from duty and the balance from vend fees, etc.

The average consumption of country spirit per 100 of the population in the years 1912-13, 1932-33 and 1933-34 was 3·61, 0·92 and 0·97 L. P. gallons respectively.

Country spirit—The Outstill System.

208. *Description, extent and revenue.*—A licence to manufacture and sell spirit at a specified shop technically known as an "outstill" was granted on payment of a licence fee which was determined by auction. No monopoly of manufacture or vend over a specified area was granted and no stillhead duty was payable in addition to the licence fee.

Outstills were usually established in tracts bordering on Indian States or in localities, where owing to sparseness of population or difficulties of communication, etc., no system of contract supply and stillhead duty could be worked.

The revenue realised amounted to Rs. 1·81 lakhs in 1933-34 against 1·74 lakhs in 1932-33. In 1912-13, this system was extant in parts of Etawah, Pilibhit, Allahabad, Mirzapur, Gorakhpur, Kheri, Gonda, Bahraich, Almora and Garhwal districts. The revenue realised under this system then was Rs. 1·46 lakhs. The area under and the population served by this system are mentioned in Statement V.

209. *Connection of shops and stills under the farming and outstill systems.*—Ordinarily, under the outstill system, there was one place only for both manufacture and vend, but when necessary an outlying shop might, with the special sanction of the Excise Commissioner, be attached to a combined still and shop.

Tari, etc.

210. *Tari* was the sap of the palmyra palm. As a rule, the only taxation on *tari* was that obtained from licences for its retail sale. The number of shops was fixed and the privilege of vend could be sold for each shop individually or the monopoly of vend in a district or tahsil could be framed to a single contractor who could sublet the privilege if so disposed. No distinction was observed between "fermented" *tari* and "fresh" or unfermented *tari*. Both were subject to the same system and incidence of taxation.

211. *Tree-tax system.*—The tree-tax system was in force during the year in one tahsil of Basti district and the whole of the Gorakhpur district. A tax of Rs. 6-12-0 and Rs. 5-12-0 on each *tar* or palmyra tree and of Rs. 2-4-0 and Rs. 2-2-0 on each *khajur* or date palm tree tapped was in force in Gorakhpur town and the rest of the tree-tax area, respectively. The licensees of the shops in the area were selected by the Collector or the Licensing Board by drawing lots or by selection from among suitable applicants and in addition to the tree-tax, they had to pay licence fees in the form of a surcharge of Rs. 2-4-0 per *tar* and 0-12-0 per *khajur* tree tapped. Owners of trees were allowed to tap up to a limit of 5 trees annually on payment of the tree-tax for domestic consumption only.

The total number of shops for the retail sale of *tari* in 1933-34, was 1,529 against 1,541 in 1932-33 and 3,023 in 1912-13.

212. *Other country fermented liquors.*—*Sendhi* is a kindred drink to *tari* and is made from the sap of the wild date palm (phoenix sylvestris). Its consumption was insignificant and for the purpose of taxation was generally included in the *tari* contracts. *Darbahra* is a variety of country beer obtained by fermentation of various herbs. It is very slightly alcoholic. It had a limited consumption in the Azamgarh district and was included in *tari* contracts. *Bozi* is a fermented liquor made from rice. It was used very little and was included in *tari* contracts.

213. *Receipts from Tari, etc.*—The total revenue from *tari* (which included receipts from the other liquors mentioned above) was Rs. 7·39 lakhs in 1933-34, against Rs. 6·39 lakhs in 1932-33 and Rs. 3·32 lakhs in 1912-13.

Foreign Liquor—Indian Made Spirit.

214. *Manufacture and duty.*—Rum and spirits sophisticated to resemble whisky, brandy and gin as well as rectified spirit and denatured spirit, were manufactured after European methods both for local use and for export at the private distilleries at Shahjahanpur, Cawnpore, Unao, Saharanpur and Lucknow. Issues were required to be covered by a pass granted by the officer-in-charge of the distillery. No fee was charged for the distillery licence; but the distillers had to deposit security which was liable to be forfeited should they commit any breach of the conditions of their licence.

From August 1, 1933 the rate of stillhead duty on Indian made foreign spirit was reduced from Rs. 24-6-0 to Rs. 21-14-0 per proof gallon and that on rum issued to troops from Rs. 17-8-0 to Rs. 12-8-0 per L. P. gallon. In 1912-13 the rate of duty was Rs. 9-6-0 per proof gallon on rum and other sophisticated spirits and 5 per cent. *ad valorem* on denatured spirit. Since 1915-16, no duty is levied on denatured spirit. Rectified spirit is issued at Rs. 5 per L. P. gallon to soap manufacturers and approved chemists and druggists for the manufacture of soap and drugs, medicines and chemicals. During the year the same rate had also been sanctioned to manufacturers of toilet preparations.

Indian-made foreign liquor (except beer from the Punjab) was allowed to be imported on (1) pre-payment of duty in the United Provinces, (2) in bond, and (3) on pre-payment of duty in the province of export at the rates leviable in the United Provinces to be subsequently transferred to this province by book transfer. Import of beer from the brewery in the Punjab and of foreign spirits from the Cox's distillery, Nowgong, Central India, was allowed on pre-payment of duty in those provinces for subsequent transfer to this province by book adjustment. Export of duty paid Indian manufactured foreign liquor from wholesale premises was made under passes.

An export duty of two annas per L. P. gallon was levied on export of all locally manufactured foreign spirit, to other provinces and Indian States This was not refundable to the importing provinces. The exceptions to this rule were—

(1) denatured spirit, and

(2) rectified spirit issued to charitable and educational institutions.

215. *Consumption.*—In 1933-34, 16,872 proof gallons of rum, sophisticated spirit and rectified spirits of wine were issued for consumption in the United Provinces; 34,656 gallons were issued to other provinces of which 27,116 gallons were exported in bond and 7,540 gallons on pre-payment of duty. In 1932-33, 12,469 proof gallons of rum, sophisticated spirit and rectified spirit were issued for consumption in the province and 26,910 gallons were issued to other provinces. In 1912-13 the quantity of rum, sophisticated spirits and rectified spirit issued for ordinary consumption in the United Provinces amounted to about 13,575 proof gallons. About 16,802 gallons of such spirits were issued to other provinces.

216. *Licences.*—Indian-made rum, whisky, brandy and gin, were sold under the same licences as imported European spirits; the vendors making their own arrangements for supply either from the distillery direct or through wholesale vendors.

Foreign Liquor—Indian-made Beer, etc.

217. *Manufacture and duty.*—Liquors were manufactured from malt and hops after the English method in the private brewery at Ranikhet. A duty of 0-12-0 per bulk gallon was charged on all issues.

Beer could be removed from a brewery on a pass from the Collector. If a brewer had duly executed a bond, he was authorised to issue the pass himself, provided the duty on the quantity thus issued did not exceed the amount of the bond. No fee was charged for a licence to work a brewery.

218. *Consumption.*—In 1933-34, the total issues amounted to 28,390 gallons, all of which were consumed in the province. In 1932-33, the total quantity of Indian-made beer issued for consumption in the province amounted to 38,725 gallons against 331,864 gallons in 1912-13.

219. *Licences.*—Indian-made beer was included in the definition of foreign liquor and was sold along with the imported article in shops licensed for the sale of European liquors generally.

Foreign Liquor—Imported.

220. *Licences.*—Revenue from the overseas imported liquors was derived only from fees for the right to sell; the duties thereon being collected by the Customs authorities. A licence for the sale of European liquors covered the

sale of sophisticated spirit and fermented liquors manufactured in India after the European methods. Licences for the wholesale vend of foreign liquor were of two classes, *viz.*, (1) for vend to wholesale and retail vendors only, and (2) for vend to wholesale and retail vendors and to the public. The assessment of fee for both kinds of these licences was made on the basis of surcharge on the actual sales made during previous year. The fee for a licence of class (1) above was subject to a minimum of Rs. 100 for a year or any part thereof and to a maximum of Rs. 300 and the fee of class (2) was subject to a minimum of Rs. 100 for a year or any part thereof but to no maximum. Fees for retail vend licences were also assessed on the actual sales but according to different scales. The fee for a shop licence for consumption "off" the premises was assessed on a lower scale than that for consumption both "on and off" the premises. Licence fees were assessed in each case by the Collector on the basis of figures of actual sales in the preceding year. In towns where Licensing Boards exercised jurisdiction, licences for sale for consumption "on and off" the premises, *i.e.*, for ordinary drinking taverns were under the control of the Board. Occasional licences for the vend of spirit at public entertainments were also granted by District Officers on a fee of Rs. 4 per diem. When an "on and off" licence was granted for premises attached to a threatre or cinema, the minimum fee was Rs. 1,500 per annum. The licence fee for the retail vend of denatured spirit was Rs. 25 per annum only.

Licences to bottle foreign liquor were granted to wholesale vendors only, on fees varying from Rs. 100 to Rs. 300 a year.

Foreign—General.

221. *Receipts and consumption.*—In 1933-34, the total receipts from vend licences for foreign spirit (including that manufactured in the country) amounted to Rs. 1·92 lakhs against 2·28 lakhs in 1932-33 and 0·63 lakhs in 1912-13. A comparative statement, showing sales of the three classes of foreign liquor is given below :—

Year.	Imported liquors.			Liquors manufactured in India and classed as foreign liquor.	
	Spirits in L. P. gallons.	Wines in Imperial gallons.	Beer in Imperial gallons.	Spirits in L. P. gallons.	Beer in Imperial gallons.
1912-13 . . .	Not available.	Not available.	Not available.	Not available.	Not available.
1932-33 . . .	52,860	25,511	199,175	21,805	264,543
1933-34 . . .	48,546	23,165	152,365	22,009	253,192

Administration.

222. *Licensing Boards.*—In the municipalities of Allahabad, Cawnpore, Benares, Lucknow, Agra, Meerut, Bareilly, Moradabad, Gorakhpur, Fyzabad, Naini Tal, Jhansi, Aligarh, Saharanpur, Shahjahanpur, Mirzapur, Farrukhabad-*cum*-Fatehgarh, Dehra Dun, Jaunpur, Muttra, Etawah, Budaun, Hathras, Pilibhit, Ghazipur, Bahraich, Muzaffarnagar, Sitapur and Banda and in the rural area of Lucknow and Bijnor districts, Licensing Boards with powers to determine the number and location of excise shops were constituted.

They were also empowered to select licensees except where the settlement was made by auction. Their composition was as under :—

5 members representing the municipality (elected) ;
1 member representing education (elected) ;
1 member representing temperance (elected) ;
1 member representing labour (nominated) ;
1 member representing the excise licensees (elected) ;
1 member representing the Assistant Excise Commissioner (*ex-officio*),

and the District Excise Officer as Member and Secretary.

The rural Licensing Boards consisted of :—

5 members representing the district board (elected) ;
1 member representing each municipality situated within the district in which a licensing board did not exist ;
1 member representing education (elected) ;
1 member representing temperance (elected) ;
1 member representing labour (nominated) ;
1 member representing the excise licensees (elected) ;
1 member representing the Assistant Excise Commissioner (*ex-officio*),

and the District Excise Officer as Member and Secretary.

The boards had jurisdiction over :—

(*a*) shops for the retail sale of country liquor (except as regards the selection of licensees where the licences were sold by auction) ;
(*b*) shops for the retail sale of opium ;
(*c*) shops for the retail sale of intoxicating hemp drugs ;
(*d*) shops for the retail sale of *tari* (except as regards the selection of licensees, where the licenses were sold by auction);
(*e*) shops for the sale of foreign liquor for consumption 'on and off' the premises.

The decisions of the Boards were subject to revision by the Local Government on appeal.

The result of the settlement made by the 29 urban and 2 rural boards in so far as it relates to liquors was as given below :—

Kind of shop.	Number of shops in 1933-34.	Changes introduced.		Accepted by Excise Commissioner or by Government.	
		Closure.	New shops.	Closure.	New shops.
Country spirit . .	251	..	..	..	..
Tari . . .	103	2	1	2	1
Foreign Liquor .	12	..	1	..	..

223. *Advisory Committees.*—In each municipality in which a Licensing Board had not been constituted and in each district except in districts for which a rural licensing board had been constituted excluding municipal and

cantonment areas, an Excise Advisory Committee was appointed every three years. Their composition was as under :—

2 members of the municipal board or of the district board according as the committee represented an urban or rural area ;

2 members representing other interests, especially education and temperance ;

2 members of the Legislative Council, representing the constituency in which the committee functioned ;

1 the Assistant Excise Commissioner of the charge ;

1 the District Excise Officer as member and Secretary.

The duties of the committee were (1) to meet annually to consider (*a*) the number and location of shops in the municipality or district and (*b*) any representations made in connection with Excise by the inhabitants of the municipality or district to record resolutions thereon and to communicate them to Collector ; (2) to recommend to Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary as licensee of a shop ; (3) to meet when convened by the Collector for the purpose of giving him advice (*a*) on matters connected with excise and (*b*) regarding arrangements to be made by him for carrying on the business of a shop which had been subjected to picketing for political purposes or for changing the sites of shops or temporary creation of new shops to take the place of or to be started in addition to existing shops which had been subjected to picketing for political purposes ; (4) to meet when convened by a requisition addressed to the Chairman by not less than three members ; and (5) to make periodical inquiry every third year as to the location of shops.

Where settlements were not made by auction, it was also their duty to recommend to the Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary, as licensee of a shop.

The result of the settlements proposed by the Advisory Committees was as shown below :—

Kind of shop.	Committe's proposals.		District Officer's recommendations.		Accepted by Excise Commissioner or by Government.	
	Closure.	New shops.	Closure.	New shops.	Closure.	New shops.
Country spirit . .	42	11	42	11	42	11
Tari . . .	10	5	10	5	10	5

224. *The Temperance movement.*—Government allotted a sum of Rs. 7,000 to help in temperance propaganda and aid genuine associations during 1933-34 against Rs. 5,000 in 1932-33.

Various Governmental Agencies (*e.g.*, the Director of Publicity, the Director of Public Health Department and the Director, Maternity and Child Welfare Section of the United Provinces Branch of the Indian Red Cross Society), continued to help in carrying on the propaganda on the same lines as reported last year. The Director, Maternity and Child Welfare Section, reported that considerable success had been achieved by her in this direction

as reflected in the reduction of infant mortality, brought about by the propaganda against the administration of opium and other intoxicants to babies which was one of the causes of infant mortality.

Temperance activity through purely non-official agency was reported from several districts, the majority of which received grants-in-aid from Government. It is hoped that genuine interest will be taken by these bodies in weaning victims of the drink and drug habit from demoralizing excess as a first step to the goal of " prohibition " or " total abstinence ".

225. *Administrative changes.*—The principal administrative changes during the year were :—

(1) The extension of the auction system for the settlement of country spirit shops to 32 districts.

(2) The increase in duty from April 1, 1933, on country spirit in the districts of Benares, Mirzapur, Jaunpur, Ghazipur, Ballia, Gorakhpur, Basti, Azamgarh, Fyzabad, Gonda and Bahraich from Rs. 4-1-0 and Rs. 3-2-0 to Rs. 4-14-0 and Rs. 3-12-0 per gallon of 35 U. P. and 50 U. P., respectively.

(3) The increase in the rates of ' tree-tax ' from Rs. 6-12-0 to Rs. 7-12-0 per *tar* tree in the Gorakhpur town, and Rs. 2-2-0 to Rs. 2-4-0 per *khajur* tree in the rest of the Gorakhpur district, and in the Khalihabad tahsil of the Basti district from October 1, 1933.

(4) The reduction of duty on Indian made foreign liquor from Rs. 24-6-0 to Rs. 21-14-0 per L. P. gallon from August 1, 1933.

(5) The reduction of duty on rum issued to troops from Rs. 17-8-0 to Rs. 12-8-0 per L. P. gallon from August 1, 1933.

(6) The fixing of the duty on white rum (plain spirit) issued to troops at a uniform rate of Rs. 6-8-0 per gallon of 35 U. P. from July 1, 1933.

(7) The reduction of duty on rectified spirit from Rs. 21-14-0 to 5 per L. P. gallon to approved manufacturers of toilet preparations from July 1, 1933.

226. *Prosecutions and convictions.*—The total number of prosecutions under the Excise Act increased from 1,488 in 1912-13 to 3,972 in 1933-34. It was 4,705 in 1932-33.

There were 3,019 prosecutions relating to (1) illegal manufacture, (2) illicit possession of spirit, and (3) illegal introduction or sale of country spirit. This figure is the highest yet recorded except for 1932-33 when it was 3,710.

The decrease in the number of cases was partly due to the increasing difficulties of detection, partly to the strict enforcement of the liabilities imposed on village residents and officials by section 57 of the Excise Act and partly to the organization of Pasi Panchayats in Unao and Rae Bareli districts (noted for illicit distillation), which had helped in reducing crime.

Members of all castes and creeds took part in illicit distillation, as the business was very lucrative and no social stigma was attached to the crime.

46 districts reported illicit distillation cases, the largest number being from Allahabad (323), Rae Bareli (281), Lucknow (235), Fatehpur (220), Gorakhpur (160) and Cawnpore (141) while 9 other districts reported 70 cases or more.

227. *Administrative Agency.*—There was no change in the system of control. The Excise Administration of each district was in the hands of the

Collector, under the supervision of the Excise Commissioner. The latter officer worked under the general control of the Local Government. The control of Excise work in each district was usually delegated to an Assistant or Deputy Collector known as the District Excise Officer. The post of Deputy Excise Commissioner remained vacant as last year. There were 6 Assistant Excise Commissioners acting directly under the Excise Commissioner. An Assistant Excise Commissioner's charge consisted of 7 to 8 districts. He directed and supervised the work of the Inspectors in his charge, especially on the technical side. He consulted the Collector on local Excise matters and kept him informed on matters of provincial policy and advised him on technical and administrative points. The Collector might give the Assistant Excise Commissioners instructions as to matters into which he should inquire during his stay in the Collector's district. The appointment of Assistant Excise Commissioners did not relieve the Collector of responsibility for the Excise administration of his district. The subordinate staff consisted of Excise Inspectors of whom usually 2 or 3 were posted in each district and of Excise peons, two of whom were usually attached to each Inspector. Every contract bonded warehouse and every distillery was in the charge of an Excise Inspector. Inspectors were also charged with the prevention and detection of Excise crime and to a considerable extent with the prosecution of cases. The police had similar concurrent duties and powers of prevention, detection and prosecution and the two departments worked in co-operation.

Average Total Excise Revenue.

228. The average total Excise revenue of the Province was Re. 0-4-4 per head of the population of which more than half was derived from the consumption of liquors. In 1932-33, the incidence of total Excise revenue per head of population was Re. 0-4-1 against Re. 0-4-4 in 1912-13.

CHAPTER VIII.

PUNJAB.

229. *Excise Revenue.*—The excise revenue of the Punjab for the year 1933-34 was realized under the following main heads :—

Heads.	Receipts (in lakhs of rupees).	Percentage of total excise revenue.
1. Country spirit made in British India . . .	40·18	42·42
2. Country fermented liquor	·05	0·04
3. Beer	6·02	6·36
4. Foreign liquor	4·38	4·63
5. Opium and its preparations	30·99	32·72
6. Hemp Drugs	12·66	13·36
7. Fines, Forfeitures and miscellaneous . . .	0·44	0·47
Total .	94·72	100·00

In the previous year the total excise revenue amounted to Rs. 94·92 lakhs and the revenue realised from country spirit made in India was 40·82 lakhs. The corresponding figures for the year 1912-13 were Rs. 64·72 lakhs and Rs. 41·62 lakhs, respectively. In 1932-33 the revenue realised from country spirit bore a percentage of 39·3 to the total excise revenue for that year against 62·8 in 1912-13.

The first portion of this memorandum is concerned only with the first four items.

230. *Law regulating liquor traffic.*—The liquor trafic in the Punjab was regulated by the Punjab Excise Act, I of 1914, which came into force on the 1st February, 1914, and by the rules framed thereunder.

Country spirit.

231. *Meaning of the term 'country spirit'.*—Country spirit in the Punjab was distilled from cane sugar. The distilling base was mixed with water and fermenting agents and distilled either in a patent still or in a pot still. Country spirit was to be distinguished from Indian-made foreign spirit, which was either country spirit flavoured and sometimes coloured to resemble imported whisky, brandy, etc., or malt whisky distilled from spoilt beer, which had been made from barley. Country spirit was redistilled after the first distillation with flavours and spices, and was then known as spiced spirit, but it was not manufactured so as to resemble imported foreign spirit, it remained country spirit and was excised as such. The Punjab distilleries were allowed to manufacture special spiced spirit according to special recipes. In 1933-34 the issues of spiced country spirit for consumption in the Punjab amounted to 233,848 gallons as against 94,107 gallons of plain spirit. The consumption of spiced country spirit was encouraged since its use created demand for an article which illicit distillers were unable to supply.

Distillery system.

232. *Description and extent of the distillery system.*—All the distilleries in the Punjab were owned by private firms or companies. The Amritsar, Rawalpindi and Sujanpur distillers had two, two and one continuous steam patent

stills respectively. At Rawalpindi there were two copper pot stills, at Amritsar there was a copper pot still and at Sujanpur a wooden vat still. At Rawalpindi, Amritsar and Sujanpur the pot stills were used for the redistillation of spiced spirit. At Karnal there was a steam heated wooden bodied vat still and there were two small copper-bottomed fire heated vat stills. Considerable quantities of spiced spirit were produced. At Solon in Bhagat State there were four copper pot stills fire heated. The country spirit produced was exported to the surrounding states and to Simla district which was conveniently situated at the end of the Kalka Simla Railway, Solon Brewery being one of the railway stations on the line. Spiced spirit was prepared by redistillation in this distillery. The distillery being situated outside the Punjab was not subject to statutory regulations under the Punjab Excise Act. The distillery was bound to comply with the instructions of the Punjab Government as a condition of the imports of its products into the Punjab.

233. *Other sources of supply.*—Apart from foreign spirit imported into India by sea, the spirit consumed in the Punjab was generally either made in the four Punjab distilleries or in Solon distillery. The import of spirit made in the Rosa factory at Shahjahanpur in the United Provinces was permitted, but in practice such imports were restricted to Rosa Rum, which was classed as Indian made foreign spirit. Liquor manufactured in the Punjab and exported to the North-West Frontier and Delhi Province could be reimported from these provinces.

234. *Regulation of licensed distilleries.*—All distilleries were under the control of the Financial Commissioner, whose sanction was required to all alterations in the designed buildings, or in the equipment of the distillery. An Excise Inspector was posted at each distillery and was assisted by Sub-Inspectors and peons. All processes of distilling took place under excise supervision, and no spirit was permitted to leave the distillery until a pass had been granted by the proper authority and duty leviable on the spirit paid into the local treasury.

235. *Rate of still-head duty.*—The rate of still-head duty during 1925-26, was as high as Rs. 14-1-0, but it was found that such a high rate led to illicit distillation and the smuggling of liquor from the Indian States. It was reduced to Rs. 10 per L. P. gallon in the beginning of the Financial year 1927-28 and to Rs. 7-8-0 from 1st April 1932 and again to Rs. 6-4-0 from 1st April 1933.

Indian made foreign spirit was excised at the rate of Rs. 17-8-0 per L. P. gallon from April 1st, 1926, when the duty was reduced from Rs. 21-14-0 to Rs. 17-8-0 per L. P. gallon in order to enable the local product to compete with cheap spirit imported from Europe up to 22nd March, 1931, when the rate was raised to Rs. 24 per L. P. gallon. This rate was raised to Rs. 24-6-0 per L. P. gallon with effect from 1st July 1931. This high rate of duty reduced the consumption of Indian-made foreign spirit almost to a vanishing point and from 1st April 1933 it was again reduced to Rs. 17-8-0 per L. P. gallon. No duty was levied on denatured spirit, but a license fee at the rate of Rs. 25 per annum was charged from those licensees who were authorised to possess denatured spirit up to 500 gallons and Rs. 100 from others.

Rectified spirit was excised at the rate of Rs. 24-6-0 per L. P. gallon ; but free issues of rectified spirit were made to licensed manufacturers of medical and toilet preparations, who paid duty at the rate of Rs. 5 per proof gallon of spirit contained in the finished products of such manufacture, except in the case of supplies to Government and approved charitable hospitals and dispensaries which were free of duty.

236. *Distribution of spirit from distilleries.*—Issues for consumption in the Punjab were made from distilleries direct to retailers or indirectly through wholesale dealers. But no issues were made until the excise duty had been credited at the local treasury. Bottling was carried on either by the distilleries in bond, or by licensed bottlers who paid a fee of Rs. 100 per annum.

237. *Wholesale licences.*—Wholesale licences were issued at a fixed fee of Rs. 50 per annum.

238. *Retail licences.*—Each year in the month of January licences for the retail vend of country spirit are auctioned for the ensuing financial year. In 1933-34 the incidence of vend fees amounted to Rs. 5·45 per gallon as against Rs. 6-4-0 still-head duty. The system of auction of retail licences provides an equitable method of selecting licensees, brings in a considerable revenue to the state, and ensures that the distributors of country spirit have a strong personal interest in the prevention of illicit distillation. This last point is a matter of the greatest importance, especially in a country where sugar-cane grows freely and illicit distillation is rife. The number of country spirit retail shops in 1933-34 was 674 as compared with 682 in the preceding year and 795 in 1912-13.

239. *Sale price of country spirit.*—The wholesale price of plain country spirit for delivery at the distilleries was fixed by the Financial Commissioner. During the year 1933-34 it was Rs. 1-11-6 per L. P. gallon, as a maximum price. The retail price of plain country spirit in rural area was generally fixed at Rs. 1-11-0 per quart bottle, while in Simla town and Kulu Sub Division in Kangra district, it was Rs. 1-10-0, elsewhere in Simla district, in Kasauli Cantonment, Palampur tahsil and the Jungal shop in Hamirpur tahsil and the Shahpur shop in Kangra tahsil in Kangra district the price of plain country spirit was Rs. 1-8-0 per quart bottle. The retail price of plain country spirit for the Darya Khan shop in Mianwali district was fixed at Rs. 2 per quart bottle so that such spirit might not be smuggled to North-West Frontier Province. At urban shops (*i.e.*, in Municipalities, Notified Areas, Small Towns and Cantonments) prices were not fixed.

240. *Sealed bottle system.*—The sealed bottle system has been spreading in the province since April 1st, 1915. Only bottles containing 26 2/3 (a reputed quart), 13 1/3 (a reputed pint), and 6 2/3 (a reputed half pint) oz. respectively could be used. The use of half pint bottles was popular and public drunkenness and rowdyism had been reduced by the system.

241. *Local Option Act.*—Since April 1st, 1924, the Punjab Local Option Act, 1923, has been in force and in a few unimportant places action has been taken under the Act to reduce the number of country spirit shops or even to prohibit sales in a certain local area.

242. *Consumption and average taxation.*—The total amount of country spirit issued for consumption in the Punjab in 1933-34 was 313,116 gallons as compared with 281,842 gallons in 1932-33. The average taxation per L. P. gallon was Rs. 11·70 including Rs. 6-4-0 still-head duty.

Other country liquor.

243. *Country fermented liquor.*—In Kangra district *lugri* or rice beer and *sur* or barley beer were consumed. In Kulu, Palampur and Kangra tahsils licences for manufacture and sale to the public were auctioned, and licences were issued for home brewing for home consumption at a charge of four annas for each licence. No *tari* was tapped or sold in the province. The receipts

from country fermented liquor amounted in 1933-34 to Rs. 0·05 lakh as against Rs. 0·07 lakh in the preceding year and Rs. 0·03 lakh in 1912-13.

Malt liquor.

244. *Breweries.*—The Murree Brewery Company owns a brewery at Rawalpindi, and Messrs. Dyer Meakin and Company own a brewery at Solon in Bhagat State.

245. *Manufacture and issue of beer from Breweries.*—The statement below gives the manufacture and issue of beer from the breweries in the Punjab during the year 1933-34 :—

Number & name of Breweries.	Quantity of beer manufactured in gallons.	Rate of duty per gallon.	Revenue realised from Excise duty.
1. Murree Brewery Co., Rawalpindi. 2. Dyer Meakin & Co., Solon.	8,05,158	Rs. 0-12-0	Rs. 5,57,533

Quantity of beer issued from the Breweries.

(a) For consumption within the province (In gallons).	(b) For export to provinces in British India (In gallons).		(c) For export to Indian States (In gallons).	
307,106	N.-W. F. Province	183,301	Jammu & Kashmir	3,444
	United Provinces	161,986	Mandi State	14
	Delhi	40,598	*Simla Hill States* :—	
	Central Provinces & Berar.	18,855	Bhagat	1,247
	Bengal Province	12,173	Beja	34
	Bombay Province	1,004	Koti.	132
	Bihar & Orissa	546	Kunihar	50
	Central India	4,937	Kuthar	42
	Rajputana	675	Keonthal	18
	Baluchistan	913		
	Chitral	93		
	Malakand	753		
	Total	425,834	Total	4,981

Quantity of beer (Indian Manufacture) imported from other provinces (In gallons)—

Delhi Province . . . . . 374.

246. *Brewery duty.*—A duty was levied at twelve annas a gallon on the quantity manufactured at the Murree Brewery at Rawalpindi. An allowance of 10 per cent. was made to cover wastage subsequent to the assessment of duty. At Solon the same duty was charged on the quantity imported into the Punjab, an allowance of 6 per cent. being made to cover wastage in transit.

247. *Retail vend.*—Beer, both imported and locally made, was sold by foreign liquor licensees for consumption off the premises. In some of the larger towns beer shops were licensed for consumption on and off the premises. The practice previously in force in some districts of auctioning such licences

for beer shops was abandoned and fixed fees were charged during the year 1930-31 based on the sales of the previous year. In 1933-34 these licences were disposed of by tender.

248. *Receipts from the consumption of beer.*—The receipts from brewery duty in 1933-34 amounted to Rs. 5·58 lakhs as against 7·45 lakhs in the previous year and Rs. 2·38 lakhs in 1912-13. A considerable proportion of this revenue, however, had to be refunded to other provinces in accordance with the principle that duty follows consumption. The consumption of Indian made beer in the province amounted to 3·07 lakhs gallons in 1933-34 as against 3·90 lakhs gallons in the previous year.

Other foreign liquor.

249. *Definition.*—Foreign liquor as defined includes (*a*) all liquor imported by sea into India (other than rectified spirit, denatured spirit and perfumed spirit on which customs duty is leviable under the Tariff Act, XIII of 1894, (*b*) all liquor other than rectified spirit, denatured spirit, and perfumed spirits, on which a rate higher than that levied on country liquor is leviable, and (*c*) all beer manufactured in India or abroad. All spirit manufactured in the Punjab in such a way as to resemble in flavour and appearance whisky, brandy, gin or rum was classed as foreign liquor as was also whisky distilled in the Punjab from spoilt beer. Still-head duty was charged on manufacture in the same way as on country spirit. The rate levied was Rs. 17-8-0 per L. P. gallon as against Rs. 6-4-0 in the case of country spirit. The total consumption in the Punjab in 1933-34 amounted to 9,957 gallons as against 4,614 gallons in the preceding year.

250. *Wholesale trade licences.*—Licences for the vend to the trade only of foreign liquor, whether imported or manufactured in the Punjab, were issued on payment of a fee of Rs. 50 per annum.

251. *Sale to the public for consumption off the premises.*—Licences for the wholesale and retail vend of foreign liquors to the public were granted on payment of fixed fees, roughly assessed on the sales of the previous year to persons of acknowledged respectability. The rate was calculated on a scale of rupee one per gallon for spirit and wines and six pies per gallon for beer.

252. *Retail vend for consumption on the premises.*—Licences were issued to hotels, restaurants, railway refreshment rooms and railway dining cars at fixed fees, assessed on the sales; licences for the retail vend of liquor in military canteens were granted only with the approval of the commanding officer, for fees assessed on a rough estimate at the rate of one rupee per gallon for spirits and wines and six pies per gallon for beer.

253. *Consumption.*—The consumption of imported foreign liquors sold to the public was 34,255 Proof gallons of spirits, 11,967 Imperial gallons of wines and 139,611 Imperial gallons of beer in 1933-34 as compared with 41,818, 14,839 and 204,658, respectively, in the previous year and 35,023, 10,871 and 68,276, respectively, in 1916-17.

254. *Medicated wines.*—No licence was required for the sale of wines containing less than 10 per cent. of alcohol by weight; but those containing alcohol obtained by distillation in quantities exceeding 10 per cent. but not exceeding 21 per cent. by weight could only be sold under licences granted by Collectors on payment of a fee of Rs. 50 per annum.

255. *Vend receipts.*—The receipts from fees for licences to sell foreign liquor wholesale and retail to the public amounted to Rs. 1·35 lakhs in 1933-34

as compared with Rs. 1·50 lakhs in the previous year and Rs. 2·01 lakhs in the year 1912-13.

Administration.

256. *Administrative agency.*—There was a Commissioner of Excise, with advisory functions only, in the Punjab from 1888 to 1910, since when the Excise Department has been administered directly by one of the Financial Commissioners. The Excise Administration of each district is in the charge of the Collector, under the general supervision of the Commissioner of the division. An Assistant or Extra Assistant Commissioner, usually the Revenue Assistant of the district, performs the duty of Excise Officer and is responsible to the Deputy Commissioner for the detailed supervision of Excise Administration in the district. In the districts of Lahore, Amritsar, Ferozepore and Lyallpur wholetime Excise Officers were employed, who were Extra Assistant Commissioners placed on special duty. These have been replaced by two Excise Superintendents, who visit each district in the province and make detailed inspections of all excise work. They are recruited from the Excise Cadre. An Extra Assistant Commissioner has also been placed in charge of the duties of Excise Assistant to the Financial Commissioners, and performs the work previously entrusted to the Superintendent of Excise and the Distillery expert. A Deputy Superintendent of Police is responsible for the Excise Bureau in the Financial Commissioner's office and is assisted in this duty by an Excise Sub-Inspector and a Sub-Inspector of Police. Excise Inspectors are posted to each distillery and with one exception to each district. In the district of Lahore a second Excise Inspector is in charge of a portion of the district. These Inspectors are assisted by Excise Sub-Inspectors, of whom in 1933-34 there were 124. Inspectors are paid on a time scale rising from 180—7½—285, with four selection grade appointments of Rs. 300 each. Sub-Inspectors first grade are placed in a time scale on Rs. 80—5—140, with five selection grade posts of Rs. 150. Sub-Inspectors second grade draw a salary of Rs. 60 per month. Excise Inspectors draw ordinary travelling allowance for the days spent on tour, while Sub-Inspectors receive a fixed horse allowance of Rs. 22-8-0. Inspectors in charge of a distillery receive an allowance of Rs. 30 and Sub-Inspectors employed in distilleries and tincture factories or in charge of breweries, receive an allowance of Rs. 20 per mensem. Sub-Inspectors posted to a Charas warehouse receive no fixed allowance, except for the Sub-Inspector, Sultanpur, who is permitted to draw permanent travelling allowance at Rs. 22-8-0 if he maintains a horse throughout the year.

Offences.

257. *Arrests and convictions.*—In 1933-34 2,967 persons were arrested and 1,503 persons were convicted for offences under the Excise and Opium Acts, as against 3,033 and 1,631 respectively in the previous year and 775 and 570 respectively in 1912-13. The number of persons arrested for the illicit distillation of country spirit, which had been 250 in 1912-13 and 1,310 in 1927-28 fell to 681 in 1929-30 and 770 in 1930-31, but increased in 1931-32 to 1,404, 1,789 in 1932-33 and 1,876 in 1933-34.

Incidence of taxation.

258. *Incidence of excise revenue per head.*—The average total Excise revenue per head of the population in the Punjab during the year 1933-34 was Re. 0-6-5 as against Re. 0-6-6 in the preceding year and Re. 0-5-2 in the year 1912-13.

259. *The Punjab excise board.*—The Punjab Excise Board on which the Punjab States are represented, meets from time to time under the presidency of the Financial Commissioner and discussses excise matters of mutual interest.

CHAPTER IX.

CENTRAL PROVINCES AND BERAR.

260. *Excise revenue.*—The total Excise receipts for 1933 in the Central Provinces and Berar amounted to Rs. 57·70 lakhs as shown below :—

Head.	*Receipts (In lakhs of rupees.)	Percentage of total Excise receipts.
1. Country spirit	24·85	43·0
2. Tari	3·44	6·0
3. Malt liquors	0·23	0·4
4. Wines and spirits	0·76	1·3
5. Commercial spirits	0·09	0·2
6. Opium	21·92	38·0
7. Hemp drugs	6·19	10·7
8. Miscellaneous	0·22	0·4
Total	57·70	100·0

* Including cost price of opium and hemp drugs.

The total Excise revenue and the receipts from country spirit in 1933 amounted to Rs. 57·70 lakhs and Rs. 24·85 lakhs, respectively, compared with Rs. 106·05 and Rs. 77·25 lakhs, respectively, in the year 1912-13. The total Excise revenue in 1933 thus decreased by 45·6 per cent. over that of the year 1912-13 and increased by 0·5 per cent. over that of the year 1932. The revenue from country spirit represented 43·0 per cent. of the total Excise revenue in 1933 against 72·8 per cent. in 1912-13.

This memorandum is concerned only with the first five items. The Excise year was the calendar year 1933.

261. *Law regulating liquor traffic.*—The liquor traffic is regulated by the Central Provinces Excise Act, II of 1915.

Country spirit.

262. *System of management.*—Ever since the constitution of the Central Provinces in 1861 the problem of the Excise administration in respect of country spirit has been to adopt and combine systems in such a manner as to satisfy the various requirements of different localities. From 1861 to 1867, a Central Distillery system, copied from Oudh, was tried as an exclusive system, but proved quite unsuited to rural and jungly areas. Between 1867 to 1887, the Central Distillery system became more and more restricted to large towns and their immediate neighbourhood, contract stills and out-stills being employed in other areas. From 1881 to 1891 contract stills, which had failed to give satisfaction, were mostly replaced by out-stills. From 1891 to 1895 there was a reaction against out-stills, and another effort was made by means of the "Bonded Warehouse system" to supply rural areas with Central Distillery liquor. The attempt was not successful, and out-stills had again to be provided for rural areas.

In Berar, a Central Distillery system, modelled on the Bombay District Monopoly system (described in Chapter II) was in force in the Ellichpur, Amraoti and Akola districts and in the Malkapur taluq of the Buldana district till the end of the year 1898-99, the remaining area being under out-stills. The Central Distillery system did not, however, work satisfactorily, and was from the 1st April 1899 superseded in the districts mentioned by a system based on the Contract Distillery system of Madras (described in Chapter I). The latter system was extended to the whole of Berar from the 1st April 1905; in accordance with the recommendations of the Central Provinces Excise Committee of 1904; and it was at the same time decided to improve the existing distillery system in the Central Provinces proper on the same model, and also gradually to bring the greater part of the out-still areas under this system.

In 1912-13, there was also a third system (*viz.*, the Sadar Distillery system) in force in the Central Provinces.

In 1933 only two systems were in force in the Central Provinces, *viz.* :—

(1) The Contract Supply system.

(2) The Out-still system.

263. *Their distinctive features.*—The main features of these two systems may be said to lie in the different methods of taxation involved. Under the out-still system the whole revenue is derived from licence fees; and no attempt is made at direct taxation on consumption. Under the Contract Supply system licence fees contribute only a portion of the revenue, the remainder being supplied by a tax on consumption, and this takes the usual form of a quantitative and qualitative duty levied directly on the liquor. Under the Sadar Distillery system the liquor itself was not directly taxed, but duty was on the raw material from which it was distilled.

264. *Description and extent of the Contract Supply system.*—In 1933, the Contract Supply system was in force throughout Berar, and in the whole of the Central Provinces except parts of the Chanda, Mandla, Raipur and Drug districts. In 1912-13 this system was in force in full in all the districts of Berar and in the districts of the Central Provinces except parts of Chanda, Seoni, Mandla, Chhindwara, Raipur, Bilaspur and Drug. Under this system the monopoly of the distillers is limited to the manufacture of liquor, and its sale to licensed vendors at fixed strengths and prices, the retail vendor paying the duty. The distillers obtain their contracts by tender or by selection, and are required to put down liquor at a uniform price at local bonded warehouses in their contract areas and to maintain adequate supplies. The contracts may be given either within or outside the province, and may extend to plain spirit manufactured from molasses by European processes, as well as to *mahua* spirit. The spirit is taken to the bonded warehouses, mostly at high strengths, and is there reduced. It is thence issued to the retail vendors at strengths of 45°, 60° and 65° under proof, the bulk of it at the 60° and 65° under proof strengths. In 1912-13 the spirit was issued to the retail vendors at strengths of 60° and 25° under proof and in some cases 45° under proof. The right of retail vendor in sanctioned individual shops is disposed of by auction. The licensees have to obtain their supplies from the bonded warehouses. They pay the full price of the liquors, *i.e.*, duty *plus* the contractor's charge, into the Government treasuries, and have thus no direct money dealings with the distillers. In 1912-13 the Sadar Distillery system was in force only in the Sironcha tahsil of the Chanda district. Later on it was replaced by the Contract Supply system.

265. *Distillery arrangements.*—In 1933 there were 4 distilleries, *viz.*, Akola, Seoni, Betul and Katni. The distillery at Akola was closed with effect from the 1st April 1933 and the area served by it was attached to the distillery at Betul. These distilleries were located in Government buildings, with the exception of the last, which was in private premises. The contractors paid monthly rent for Government buildings. The distilleries were in charge of Inspectors, whose salaries ranged from Rs. 100 to Rs. 200 a month. These officers were immediately subordinate to the Deputy Commissioners of the district, and their work was subject to inspection by senior Excise and Revenue officers. The contractors provided their own plant and appliances for distillation.

266. *The Out-still system.*—The operation of the out-still system was confined to the remote and sparsely populated jungly tracts of the Mandla, Raipur, Drug and Chanda districts. Suitable and necessary sites for shops having been settled, the shops were grouped in circles and for each circle one out-still was allowed. The right of working the still and of selling its outturn in the shops of the circle is auctioned every year by the Deputy Commissioner, the capacity of the still and the hours of its working being restricted. The out-stills, which were erected and maintained at the expense of the contractor, were under no regular supervision, but were inspected, from time to time, by officers of the Excise and Revenue Departments. No direct taxation according to strength or consumption of liquor was attempted. The necessity for realizing enough to pay the licence fees tended to prevent the monopolist of a circle from selling liquor at excessively cheap prices. Removal of spirit from one out-still area into another was generally not permitted.

267. *Proportion of revenue realized under Distillery and Out-still systems.*—The following figures show the relative importance of the Distillery and Out-still systems as regards revenue, area, etc., in the Central Provinces and Berar:—

Systems.	Area in square miles.			Population in thousands.			Revenue in lakhs of rupees.			Percentage to total of					
										Area.			Population.		
	1912-13.	1932.	1933.	1912-13.	1932.	1933.	1912-13.	1932.	1933.	1912-13.	1932.	1933.	1912-13.	1932.	1933.
Sadar Distillery .	495	..	..	33	..	..	·08	..	..	5	..	..	2	..	..
Contract Distillery Supply.	78,748	95,633	95,633	12,441	15,316	15,316	74·51	21·55	24·61	78·9	95·8	95·8	89·4	98·8	98·8
Out-still . . .	20,580	4,243	4,243	1,442	189	189	2·66	0·23	0·24	20·6	4·2	4·2	10·4	1·2	1·2
Total .	99,823	99,876	99,876	13,916	15,505	15,505	77·25	21·78	24·85	100·0	100·0	100·0	100·0	100·0	100·0

268. *Consumption and average taxation in distillery area.*—The total issues from distilleries amounted to 305,570 proof gallons in 1933 and the revenue derived therefrom was Rs. 17·55 lakhs from duty and Rs. 7·06 lakhs from vend fees. This gives an average taxation of Rs. 8-0-11 per proof gallon, of which Rs. 5-11-10 were derived from duty.

In 1932, the total issues of country spirit in distillery areas amounted to 188,289 proof gallons, compared with 1,201,346 proof gallons issued from distilleries in 1912-13. The total revenue derived therefrom amounted to Rs. 12·98 lakhs in 1932 (giving an average taxation of Rs. 11-7-0 per proof gallon) against Rs. 74·59 lakhs in the year 1912-13 (giving an average taxation of Rs. 6-3-4 per proof gallon). (See statements VI and VII).

The average consumption of country spirit per 100 of the population during the year 1933 was 1·99 proof gallons against 1·21 proof gallons in the preceding year and 8·63 proof gallons in the year 1912-13. The consumption in the province as a whole in 1933 shows an increase of 62·3 per cent. over that of the preceding year and it is 74·6 per cent. less than that in the year 1912-13. The chief factor which contributed to the decrease was the general economic depression.

269. *Number of shops.*—The number of shops licensed for the retail sale of country spirit was 1,927 in 1933 against 1,912 in the preceding year and 3,759 in the year 1912-13. In 1933 the average number of shops per 100,000 of population was 12·43 against 12·33 in the preceding year and 27·01 in 1912-13 (See statement III.)

270. *Excise arrangements in Zamindaris and Feudatory States.*—The Excise privileges throughout the zamindaris were disposed of in the same manner as in the *khalsa*. No control was exercised over country liquor arrangements in the Feudatory States.

Tari.

271. The liquor made by simple fermentation from the sap of palm trees was subject to taxation. The consumption of this liquor was confined almost entirely to the Nagpur, Bhandara, Chanda, Wardha, Jubbulpore, Chhindwara, Hoshangabad, Nimar and Saugor districts of the Central Provinces, and to the four districts of Berar. The Wardha district was the most important in this connection and produced 27 per cent. of the *tari* revenue of the province in 1933. The right to manufacture and sell *tari* was sold by auction. The purchasers of the monopoly made their own arrangements with the owners of the *tari* trees, and were also permitted to tap trees on Government waste lands. With effect from the 1st October 1926 a general rate of Rs. 2 per tree has been sanctioned by the Local Government as royalty to be realized by the Forest Department from vendors for *tari* trees tapped in Government forest.

272. The tree-tax system was first introduced in the Wardha district and the Chandur taluq of the Amraoti district in 1916-17. In 1933 it was in force in the whole of the Nagpur, Chanda, except certain villages inhabited by primitive tribes, Wardha, Yeotmal and Akola districts and in the whole of the Amraoti district except the Melghat taluq and in the Chhindwara and Saugar tahsils of the Chhindwara district.

In 1933 the *tari* revenue was composed of Rs. 74,004 derived from the tree-tax, and Rs. 2,70,209 obtained in the form of licence fees. In 1932 the receipts from the tree-tax amounted to Rs. ·95 lakhs, and those from licence fees to Rs. 3·02 lakhs. In 1912-13 the Government revenue from *tari* (Rs. 1·68 lakhs) consisted only of the licence fees paid for the right of manufacture and vend.

273. *Consumption of tari and number of shops.*—The total provincial consumption of *tari* during the year 1933 was estimated at 704,917 gallons against 773,325 gallons in the preceding year and 1,548,291 gallons in 1912-13. The estimate is only approximate. The decrease in consumption of *tari* in 1933 was due to the unfavourable economic conditions and the reversion of custom to country spirit. The total number of *tari* shops in 1933 was 325, against 332 in the year 1932 and 493 in the year 1912-13.

274. *Working of the tree-tax system and changes introduced.*—The tree-tax system continued in force in seven districts, as in the previous year. No change was made in the tax per tree except in the Wardha district where it was reduced from Rs. 6 to Rs. 5 from the 1st October 1933. Contractors had no difficulty in securing trees from private owners at reasonable rates.

Foreign liquors.

275. *Classification and vend arrangements*—The expression "foreign liquor" in the Central Provinces includes not only liquor imported by sea, but also spirit made in India and treated so as to resemble spirit so imported, and country-brewed beer or beer imported in a condensed form and afterwards converted into potable beer, and tonic wines and similar preparations, which contain 20 per cent. and upwards of proof spirit. There were twelve kinds of licences under which foreign liquor was sold in the Central Provinces, *viz.*, an "off" licence, a public house licence, a hotel and refreshment room licence, a dâk bungalow licence, an occasional licence, a chemist's and druggist's licence for the sale of rectified spirits, a licence for the sale of tonic wines, licence for sale exclusively for medicinal purposes a canteen tenants' licence, bottling licence, a special licence, and a licence for the wholesale vend of Indian made foreign liquor.

In 1912-13, the scale of fees for the "off" licence and public house licence for different localities was prescribed by the Commissioner of Excise, and the hotel and refreshment room licence, rectified spirits licence, tonic wines licence and canteen tenant's licence were granted on fixed fees of Rs. 50, Rs. 5, Rs. 15 and Rs. 24 per annum, respectively.

In the Central Provinces, with effect from the 1st January 1925, a system of assessment of licence fees on each bottle imported for sale was introduced for foreign liquor licences in forms F. L. 1, F. L. 2 and F. L. 3.

The following scale of fees was fixed in the Central Provinces :—

Kind of licence.	Kind of liquor.	Rate of licence fees per quart bottle.	
		1932.	1933.
		Rs. a. p.	
F. L. I.	Malt liquor (beer, ale, stout and porter) and cider.	0 2 0	The rates of licence fees per bottle remained the same.
	Foreign liquor other than malt liquor .	0 8 0	
F. L. 2. and F. L. 3.	Malt liquor (beer, ale, stout and porter) and cider.	0 3 0	
	Foreign liquor other than malt liquor.	0 12 0	

The rate per pint was half of that for a quart.

Rectified spirits licences, tonic wines licences and canteen tenant's licence were granted on fixed fees of Rs. 5, Rs. 15 and Rs. 24 per annum, respectively.

In Berar the right of vend under the " off " licences was disposed of by unrestricted public auction. In the Central Provinces shops were assessed on the fee-per-bottle-system, except in Chanda, Nimar and Raipur where the shops were disposed of by public auction.

European liquors pay a considerable duty at the seaports, and no attempt was made to recover Excise duty on them in the Central Provinces and Berar. The chief concern of the Administration with regard to them was to ensure that their sale was only entrusted to proper persons, and not unduly pushed. In 1933 there were 28 licences covering retail sale, of which 2 permitted consumption on the premises during the year. There were also 23 licences issued to hotels and refreshment rooms. The total licence fee collection in 1933 amounted to Rs. 45,243. In 1932 there were 26 licences for the retail sale of foreign liquors against 71 in 1912-13. The total licence fees in 1932 amounted to Rs. 91,395 against Rs. 14,000 in 1912-13.

276. *Consumption.*—The consumption of imported foreign spirits in 1933 increased from 3,753 proof gallons in 1932 to 3,771 and that of imported wines in 1933 decreased from 679 proof gallons in 1932 to 634 gallons. The consumption of imported beer in 1933 decreased from 54,766 gallons in 1932 to 40,868 gallons. In 1912-13 the sales of foreign wines, spirits and beer under shop licences amounted to 4,482, 26,623 and 22,789 gallons, respectively.

277. *Indian rum.*—The only foreign liquor of Indian manufacture that was imported in 1933 was rum from the Rosa distillery at Shahjahanpur in the United Provinces and beer from the Solan brewery in the Punjab. Foreign liquor was also manufactured at the Akola distillery in this province during the first three months of the calendar year 1933.

Under the system introduced in 1923 the import of Indian made foreign liquor into the Central Provinces and Berar was prohibited, except in bond or prepayment of duty in the province. The total duty collected in 1933 amounted to Rs. 30,756 against Rs. 64,083 in 1932. In 1912-13, no duty was realized locally on such imports. The system of recovering duty on Indian-made beer in this province was introduced in September 1929, and Rs. 9,782 were recovered in 1933 as against Rs. 15,218 in 1932. It is imported from the Punjab and the United Provinces on prepayment of duty which is credited to this province through exchange account.

278. *Denatured spirits.*—Spirits rendered permanently unfit for human consumption by the admixture of caoutchoucine, or in special cases of wood-naphtha, have from the year 1906, been excluded from the class " foreign liquor ". Such spirits were imported into the Central Provinces and Berar from the Rosa distillery, Baroda State, and from shops in Bombay and Calcutta, and allowed to be sold under separate licences issued free of fee. Possession by unlicensed persons was restricted to two gallons. The sale of such spirits amounted to 34,712 gallons in 1933, against 31,889 gallons in the preceding year and 1,779 gallons in the year 1912-13.

279. *Locally produced Malt liquor.*—A brewery was started at Jubbulpore in 1896. The duty on issue was levied at the tariff rate for beer of 3 annas per gallon. The duty receipts in 1912-13 were Rs. ·01 lakh. No beer was manufactured in Berar. This brewery was closed from the 1st April 1915. In 1933 no beer was manufactured in the Central Provinces and Berar.

280. *Temperance movement.*—No educative propaganda in favour of temperance was organized by the public generally or by leaders interested in the prohibition issued and the Excise Department could not count on active private help or support in its campaign against the increasing tide off illicit distillation or against the smuggling of *charas*. In two or three districts there was, however, some effort at temperance propaganda on the part of individual groups. In Bilaspur some of the aboriginal tribes in backward tracts and some sects of *chamars* made attempts to persuade their caste people to abstain from liquor, but with indifferent success. The work of the Women's Christian Temperance Union at Jubbulpore has been rewarded by a grant-in-aid. A branch of the same union has been started at Khandwa and application has been made for a grant there also. Lectures were given and posters on temperance were distributed broadcast by the Public Health Department. Leaflets describing the evil effects of *charas* smoking were also circulated by Government agency. There was no anti-excise movement apart from occasional attempts to picket the Jubbulpore warehouse in the beginning of the year, and the futile endeavours of influential congressmen in the Drug district to dissuade contractors from bidding at the auction sales. Government has imposed restriction on the consumption not only of liquor but also of more deleterious intoxicating drugs by the permanent closure of numbers of shops, the temporary closure of others on the occasions of fairs and festivals, the enhancement of duties, the curtailment of hours of sale, the reduction of the strength of country spirit, the sale of country spirit in sealed bottles for consumption off the premises in important towns, the prohibition of opium smoking in a company of two or more persons, etc.

281. *Important changes.*—The principal changes made in Excise Administration during the year 1933 were :—

(*i*) the rates of issue prices of country spirit were reduced for the province as a whole by 25 per cent.

(*ii*) the issue of 65° U. P. country spirit was replaced by 60° U. P. in the districts of Nagpur, Wardha and Berar.

(*iii*) one distillery, two warehouses, 39 liquor shops, 7 *tari* shops and 7 drug shops were closed. 54 country spirit shops and 23 drug shops were opened.

282. *Important debate or resolution.*—In August 1921, a resolution, recommending the total and immediate prohibition of the sale of country spirit was moved in the Legislative Council. As a compromise Government agreed to accept prohibition of country liquor as the goal of their policy and this policy has been pursued ever since.

283. *Offences and convictions.*—The number of persons prosecuted for offences under the Excise, Opium and Dangerous Drugs Acts was 6,591 against 6,896 in 1932 and 957 in the year 1912-13. Of these the number of persons convicted was 5,168 in 1933 against 5,444 in the preceding year and 768 in the year 1912-13.

The percentage of convictions to prosecutions was 84 in 1933, against 86 in 1932 and 80 in 1912-13.

The number of illicit distillation cases in 1933 was 3,745 against 3,889 in 1932. The number of cases relating to smuggling of liquor was 232 against 270 in 1932 and 151 in 1912-13.

284. *Location of shops.*—The rules as to location of shops were practically the same. It is laid down that " all such sites for the sale of liquor should be avoided as might likely be to obtrude unnecessarily the vend of spirits upon

the notice of passers-by, and thus unduly stimulate the demand." Existing arrangements as to shops in one year are taken as the basis for the next year. The rules provide for changes at any time on account of legitimate objections which may be urged by the inhabitants of any town or village but such objections are few. Under the orders of Government, Excise Advisory Committees are constituted for the rural and urban areas of every district.

285. *Administrative agency.*—Excise in the Central Provinces and Berar is in the charge of an Excise Commissioner, under whose supervision and advice district officers conduct the local administration. The post of the Distillery Expert has been abolished, consequent on the retirement of the last incumbent, but the duties performed by him are now discharged by a select post District Excise Officer who receives a special allowance above the ordinary pay of his grade. A Superintendent of Excise Crime is in charge of preventive work. In each district there is a District Excise Officer who is assisted by an Inspector of Excise in important districts. For executive work the district is divided into circles with a Sub-Inspector in charge of each and one or two peons to aid him.

286. *Average total Excise revenue.*—Calculated on the census figures of 1931, the total average Excise revenue per head of the population in 1933, was about Re. 0-5-9 of which a little over third was derived from liquor. In 1932 the average total Excise revenue per head of the population was about Re. 0-6-1 against Re. 0-12-2 in 1912-13.

CHAPTER X.

ASSAM.

287. *Excise revenue.*—The gross Excise revenue in 1933-34 amounted to Rs. 35·12 lakhs and was realised under the following main heads :—

Heads.	Revenue in lakhs of rupees.	Percentage of total excise revenue.
1. Country Spirit	12·11	34·45
2. Country fermented liquor (*Tari* and *Pachwai*)	·05	·15
3. Foreign liquor	·21	·62
4. Opium and its preparations . . .	18·70	53·23
5. Hemp drugs	3·77	10·76
6. Miscellaneous	·28	·79
Total . . .	35·12	100·00

In the previous year the total Excise revenue amounted to Rs. 40·42 lakhs of which Rs. 14·35 lakhs (representing 35·50 per cent. of the total Excise revenue) was revenue from country spirit. In 1912-13 the total Excise revenue was Rs. 48·52 lakhs of which Rs. 14·07 lakhs (representing 29·0 per cent. of the total Excise revenue) was from country spirit. This memorandum is concerned only with the first three items of the heads mentioned above.

288. *Law regulating liquor traffic.*—The liquor traffic in Assam except in the Naga Hills, the Khasi and Jaintia Hills and the Lushai Hills was regulated by the Eastern Bengal and Assam Excise Act (I of 1910) which was brought into force in the plains districts of the province with effect from the 1st April 1912, and in the North Cachar Hills Sub-Division, the Dibrugarh Frontier Tract, the Mikir Hills in the Nowgong and Sibsagar districts and the Garo Hill, district from the 1st January 1913. In the remaining Hills and Frontier areas of the province in which the Act is not in force *proprio vigore, viz.*—The Khasi and Jaintia Hills, the Naga Hills, the Lushai Hills and the Sadiya and Balipara Frontier Tracts, the Excise Administration is conducted under the executive orders of the district officers concerned. The question of extending the Excise Acts and rules to certain portion of the Khasi and Jaintia Hills district, to which the jurisdiction of the Calcutta High Court has been extended, is under consideration.

Country spirit.

290. *Definition of 'Country spirit'.*—Country spirit is plain spirit manufactured by the European or Indian process of distillation from materials which are recognised as bases for the preparation thereof, such as the *Mahua* flower (Bassia latifolia), or molasses.

291. *System under which country spirit revenue was realised.*—The manufacture and sale of country spirit were carried on in Assam under two systems, *viz.*, the contract supply system and the outstill system.

292. *Contract supply system.*—The contract supply system was in force throughout the province except in a small part of the North Lakhimpur Subdivision of the Lakhimpur district, the Khasi and Jaintia Hills, the Lushai Hills and the hill portions of the Naga and Garo Hills districts. In the contract supply area the spirit was supplied from the distillery of Messrs. Hajee Ismail

Sait and Sons, Limited, Calcutta, who received Rs. 1-9-6 per L. P. gallon as the cost price of the spirit issued to the retailer. The issue strengths throughout the contract area were 30° U. P. and 60° U. P. Each retail shop was settled separately by a system of tenders with the advice of the Advisory Committee subject to a reserved price, the contractors being prohibited from acquiring any interest in the retail sale. All the shops were settled for one year under the vend fee system. The limit of retail sale of distillery liquor in most districts was fixed at three reputed quart bottles per person on one day but in some areas this was reduced to one quart bottle per person a day. 246 shops were licensed for the retail sale of distillery liquor against 231 in 1932-33 and 179 in 1912-13. As in the previous year the maximum retail prices were fixed at annas 0-12-0 and Rs. 1-5-0 per reputed quart of 60° U. P. and 30° U. P. spirit, respectively. In 1912-13 the corresponding prices were annas 0-8-0 and Rs. 1-2-0. The minimum retail prices of 60° U. P. and 30° U. P. liquor were annas 0-10-0 and Rs. 1-1-0 per reputed quart respectively against annas 0-6-0 and annas 0-12-0 in 1912-13. In most of contract supply area sales were made direct from the barrel but in Dibrugarh, Gauhati and Sylhet Towns a system of selling the liquor in sealed bottles—the liquor being bottled in the premises by the lessee—was in force. The sliding scale system of settlement of these shops was abolished and the ordinary vend fee system of settlement was introduced in its place with effect from 1st April 1933. The central bottling system under which liquor was despatched in cases of sealed bottles from the bottling factory direct to the shops was in operation in the Tinsukia Warehouse in Lakhimpur district and supplied liquor to 9 shops in the neighbourhood. This system has proved most successful and the only drawback is that it is limited, on account of the cost of transport of the cases to shops within a radius of roughly 25 miles from the warehouse.

293. *Outstill system.*—The outstill system was in force in the remaining portions of the province. The areas under the outstill system in the years 1932-33 and 1933-34 were 11,478 square miles against 14,157 square miles in 1912-13. The right to work a still and sell country spirit at a fixed place was put up to limited auction at a fixed upset price and settled for one year. In order to guard against monopolies and to secure a respectable class of vendors the Deputy Commissioner was empowered to refuse to accept the highest or any bid. In the Khasi and Jaintia Hills licence fees were imposed at rates varying from Rs. 105 to Rs. 300 per still in different localities. The limit of retail sale of outstill liquor was three reputed quart bottles except in the station of Shillong where the limit was one reputed quart bottle. The minimum retail selling price of outstill liquor was annas 0-12-0 per reputed quart bottle except in the Khasi and Jaintia Hills where the minimum price was Re. 1.

294. *Canteen system.*—The system of settlement without auction of licences with tea garden managers for the sale of country spirit to their own coolies from shops under their control and situated in their gardens was continued and extended. There were two systems in force, one known as the canteen system under which the liquor was sold direct by the management and the other the lessee-manager system under which the liquor was sold by a vendor but under the general control of the management. At the close of the year there were 15 canteens and 13 lessee-manager shops in operation compared with 12 canteens and 4 lessee-manager shops in the previous year. The lessee-manager type of canteen has been proved to be more satisfactory than the canteen type but, except in Lakhimpur district, very little progress has been made. The introduction of the system of lessee-manager shops on tea gardens is the real remedy against illicit practices on gardens and at the same time it gives the garden authorities ample power of control.

295. *Distilleries.*—There were no distilleries in the province since the closure of the Central Distillery at Jorhat (Sibsagar) in 1918. The spirit required was obtained from the Russa Distillery in Calcutta.

296. *Excise warehouses.*—These were maintained at convenient centres. Overproof spirit from the distillery was received in these warehouses and was there reduced to the required strength before issue to the retail vendors. All warehouses were in charge of an officer of the Excise Department.

298. *Rate of still-head duty.*—As in the previous year the rate of still-head duty in the contract supply area was Rs. 5-12-6 per L. P. gallon against Rs. 3-2-0 per L. P. gallon in 1912-13.

299. *Consumption.*—The issues of distillery spirit in 1933-34 amounted to 135,501 L. P. gallons as compared with 153,053 L. P. gallons in the previous year and 247,363 L. P. gallons in 1912-13. The average consumption of country spirit per 100 of the population in 1933-34 was 1·68 L. P. gallons against 1·89 L. P. gallons in 1932-33 and 3·68 L. P. gallons in 1912-13. The figures in the Excise Administration Report are for the population of the distillery areas only. The main reasons for the decrease in consumption were :—

(*i*) the lack of money among the consuming classes (chiefly tea garden coolies and *ex*-coolies) due to the economic position of the tea industry ;

(*ii*) the high price of Government excise liquor ;

(*iii*) the low price of rice which encouraged illicit distillation and the brewing and sale of *pachwai* in excess of the limits prescribed by the law.

The taxation realised on country spirit in 1933-34 was Rs. 7·84 lakhs from duty and Rs. 3·58 lakhs from vend fees. The average taxation per proof gallon was therefore Rs. 8-6-9 of which Rs. 5-12-6 was derived from duty. The total receipts from country spirit in distillery areas in 1932-33 amounted to Rs. 13·45 lakhs, against Rs. 13·81 lakhs in 1912-13. The average taxation per proof gallon in 1932-33 was Rs. 8-12-7 (Rs. 5-12-11 from duty) against Rs. 5-9-4 (Rs. 3-2-1 from duty) in 1912-13. The receipts in outstill areas in 1933-34 amounted to Rs. ·69 lakh against ·89 lakh in 1932-33 and 0·26 lakh in 1912-13.

Country fermented liquor.

300. *Tari.*—The consumption of fermented *tari* was practically negligible and only 11 retail licences were issued. *Tari* was drunk primarily by foreigners in the province. Receipts from licence fees for *Tari* amounted only to Rs. 5,328, compared with Rs. 4,284 in 1932-33 and Rs. 105 in 1912-13.

301. *Pachwai.*—Pachwai known generally in Assam as *Laopani* or *Zu* is a fermented liquor usually brewed from rice. No licence was issued in 1933-34 for the manufacture or retail sale of this liquor, as in the preceding year. The limit of free brewing of *pachwai* was restricted with effect from 1st April 1933 to one seer undiluted or 3 seers diluted per person subject to a maximum of 4 seers undiluted or 12 seers diluted for any one family living and eating together. The ordinary brewers and consumers of *pachwai*—most of whom were tea garden coolies and *ex*-collies, Kacharis, Garos and other backward tribes. had however no knowledge of these refinements and pursued the even tenor of their way—that is to say they brewed as much as they had a mind to. There could be no doubt that owing to the fact that the price of country spirit had remained unaltered since 1921 in spite of the general fall of other commodities the brewing and sale of *pachwai* among the poorer classes of consumers of

country spirit had become a profitable occupation. Furthermore owing to the lowering of the general level of wages in tea gardens and to the fact that many garden coolies were not fully employed and had ample leisure the brewing of *pachwai* in excessive quantities and the illicit distillation of liquor had become rampant in tea-gardens. Special measures were taken to deal with illicit distillation and if these are not successful the only remedy would be to reduce the retail price of country spirit.

Foreign liquor.

302. *Supply and duty.*—The term "foreign liquor" includes liquors imported into India and also certain India-made liquors classified as "Foreign Liquor". No "foreign" liquor was manufactured in the province. Duty on Indian-made foreign liquor paid in other provinces such as Bengal and the United Provinces was recovered and credited in favour of the Government of Assam. Foreign liquor imported from outside India paid duty under the Tariff Act and this was credited to the Central Government as Customs Revenue.

303. *Vend arrangements.*—Licences were of two kinds—wholesale and retail, the former covering sales in excess of two gallons or 12 reputed quart bottles. Both forms of licences were settled under a fixed fee system, fees being realised monthly in case of retail and annually in case of wholesale licences. Special licences on fixed fees were also granted for the sale of foreign liquor in railway refreshment rooms, dining cars and on board steamers. Licences were issued to dak bungalows free of charge. The total number of licences (of all sorts) for the retail sale of potable foreign liquors was 125 in 1933-34, against 124 in the previous year and 101 in 1912-13.

304. *Consumption.*—The total consumption of potable foreign liquor purchased from licensees in the province was 51,765 gross gallons in 1933-34, against 49,247 in 1932-33 and 41,324 gross gallons in 1912-13.

305. *Medicated wines.*—The number of licences for the sale of medicated wines was 32, against 24 in 1932-33 and 6 in 1912-13. In 1933-34, 342 gallons were sold against 499 gallons in 1932-33. Nine licences were issued for the possession of rectified spirit against ten in 1932-33. Chemists and druggists were required to take out licences for the sale of rectified spirit. Civil Surgeons and medical officers in charge of Government medical institutions could import and store rectified spirit and absolute alcohol required for the purposes of the institutions under their charge without a pass and certain approved institutions were exempt from the payment of duty for import of rectified spirit.

306. *Denatured spirit.*—Two hundred and six licences were issued for the sale of denatured spirit and for the possession of such spirit in excess of the legal limit as against 153 in 1932-33 and 26 in 1912-13. The sale of denatured spirit amounted to 8,838 gallons against 8,680 gallons in 1932-33 and 976 gallons in 1912-13. No duty was levied by the Government of Assam on denatured spirit or on spirit contained in medicinal preparations imported into the province. There was no evidence that denatured spirit was used as an intoxicant.

Location of Excise shops.

307. Sites were selected by the district executive authorities in consultation with local self governing bodies. The opinion of such bodies was always taken into consideration and every effort was made to conform to their recommendations if based on reasonable grounds.

Administrative Agency.

308. Excise in Assam is a transferred subject. In 1933-34 the Department was in charge of an Excise Commissioner under whose supervision and advice district officers conducted the administration of Excise in their districts. The following staff was employed in the districts during the year :—

Six Superintendents, 30 Inspectors, 19 (including one temporary) Sub-Inspectors and one Supervisor besides numerous petty officers and peons. In addition there was a special branch consisting of 1 Superintendent 3, Inspectors and 6 Sub-Inspectors, whose main duty was to detect and prevent opium smuggling.

309. *Important administrative changes.*—The only administrative change worthy of mention was the temporary reduction with effect from the 1st April 1934 of the rate of duty on country spirit from Rs. 5-12-6 to Rs. 2-13-0 per L. P. gallon in a remote portion of the Lakhimpur district. The reason for this was that the shops in this area were so remote and the sales so small that the lessees would have obtained no profit if the ordinary rate had been charged.

310. *Offences and convictions.*—During the year 2,213 persons were arrested under the Excise and Opium Laws as against 1,960 in the preceding year and 319 in 1912-13. Convictions were obtained in the case of 2,018 or 91·1 per cent. of the persons arrested in 1933-34 as compared with 1,730 or 88·2 per cent. of the persons arrested in 1932-33 and 343 or 89·2 per cent. of persons arrested in 1912-13. The number of cases of unlicensed manufacture and sale of country spirit was 547 during the year, against 382 in 1932-33 and 62 in 1912-13, and cases of illegal possession of country spirit were 42, against 130 in the preceding year and 50 in 1912-13. The total number of offences relating to intoxicating liquor was 1,283 in 1933-34 as compared with 1,051 in 1932-33 and 233 in 1912-13.

311. *Incidence of Excise revenue per head.*—Calculated on the population according to the Census figures of 1931 the incidence of Excise revenue in 1933-34 was annas 0-6-5 per head of which 34·45 per cent. was derived from liquor. In 1932-33 the incidence per head was annas 0-7-5 (of which 35·50 per cent. was from liquor) and in 1912-13 annas 0-11-9 (of which 29·00 per cent. was derived from liquor).

CHAPTER XI.

North-West Frontier Province.

312. *Excise Revenue.*—Including the duty on spirits imported into the N.-W. F. Province from the distilleries in the Punjab and United Provinces (3·61 lakhs) which was credited to the provinces of export, and, subsequently recovered by book transfer, the excise revenue of the N.-W. F. Province, for the year 1933-34 was :—

Heads.	Receipts in lakhs of rupees.	Percentage of total excise revenue.
Country spirit	3·85	46·27
Imported liquors	2·49	29·93
Opium and its preparations	1·33	15·98
Hemp drugs and Miscellaneous	·60 ·05	7·82
Total	8·32	100·00

In 1932-33, the total excise revenue of the N.-W. F. Province (including 3·83 lakhs as duty realised from spirits imported from the Punjab and United Provinces) was 8·77 lakhs against 5·23 lakhs (including 1·19 lakhs as duty on spirits imported from the Punjab) in 1912-13. The revenue from country spirits in 1932-33 amounted to 3·30 lakhs as against 2·23 lakhs in 1912-13, representing 37·63 and 42·6 per cent. of the total excise revenue. This memorandum is concerned with the first two items above.

313. *Law regulating liquor traffic.*—The liquor traffic in the N.-W. F. Province was regulated by the Punjab Excise Act (I of 1914), as extended to the N.-W. F. P., by Chief Commissioner's notification No. 120-Exc., dated the 8/9th February 1915.

314. *Definition of country spirit.*—As in the Punjab the term 'country spirit' denotes portable spirit distilled in India from *Gur*, Molasses or *mahua*, whether plain or special (*i.e.*, spiced, flavoured or coloured with or without caramel to suit a special Indian taste) provided that it is not described by the name of any imported spirit and does not resemble such spirit or gave rise to the impression that it is similar in character to such spirit. The receipt from this source amounted to Rs. 3·85 lakhs in 1933-34 of which Rs. 1·80 lakhs were realised from duty and Rs. 2·05 lakhs from vend licence fee. The whole of the receipts from duty were credited to the Punjab. In 1932-33, the revenue from vend licence fee amounted to ·92 lakh as compared with 1·04 lakhs in 1912-13.

315. *Distillery system and sources of supply.*—There were no distilleries in the Province. The distilleries in the Punjab supplied the requirements of the N.-W. F. Province, with the exception of small imports of Indian-made Foreign spirits from the Rosa Distillery in the United Provinces. No imports of country spirit proper were made from the United Provinces during the year and the sum of Rs. 2,502 paid as still-head duty in that Province was mostly on account of coloured rum imported for the use of troops.

In 1932-33, a sum of Rs. 5,192 was paid in the United Provinces on this account. In 1912-13, 71 gallons of methylated spirits were imported from the Rosa Distillery in the United Provinces.

316. *Rate of still-head duty.*—The rate of still-head duty payable on country spirit imported from the Punjab or the United Provinces in the years 1932-33 and 1933-34 was Rs. 7-8-0 and Rs. 6-4-0 per proof gallon, respectively. All other spirits so imported paid duty at the tariff rate of Rs. 17·5 per gallon. In 1912-13 the rate of still-head duty payable on country spirit from the Punjab or the United Provinces was Rs. 5 per proof gallon while all other spirits so imported paid duty at the tariff rate of Rs. 9·37 per proof gallon.

317. *Wholesale vend.*—Wholesale licences for the vend of country spirit to the public were issued at a fixed fee of Rs. 50 per annum, for each licence. The wholesale licensee could obtain supplies of spirit from the distilleries in the Punjab or in the United Provinces, or from a wholesale vend depot established in the former province and could sell to wholesale and retail vendors in quantities of not less than two imperial gallons at a time. Wholesale licences were, however, not much sought after because the retail vendors preferred to obtain their supplies, especially of cask liquor direct from the distillery without the intervention of the wholesale licensees. In 1933-34 only one licence was issued for the wholesale vend of country spirit. In 1912-13 there were five such licences.

318. *Retail vend.*—The number of shops for retail vend varied from time to time with the requirements of each district; new shops being opened and old ones closed as circumstances required. Before the commencement of each financial year, licences for retail vend during the coming year were as a rule put up to auction separately, though the shops of the whole district or of any specified area within it were leased together, if this course appeared desirable. Monopolies of retail vend in certain cases were granted. No leases for a period in excess of one year were granted. The number of retail shops for the vend of country spirit in the years 1932-33 and 1933-34 was 28 and 30, respectively, as against 37 in 1912-13.

319. *Consumption and average taxation.*—The quantity of country spirit sold in the N.-W. F. Province in 1933-34 was 23,876 proof gallons as against 24,008 gallons in the preceding year and 24,296 proof gallons in the year 1912-13. The average consumption of country spirit per hundred of the population in 1912-13, 1932-33 and 1933-34 was 1·11, 1·00 and ·99 proof gallons, respectively. The average taxation per proof gallon from vend fees only in 1933-34 was Rs. 8·65, against Rs. 3·85 in the preceding year and Rs. 4·29 in 1912-13, adding to this the duty of Rs. 7-8-0 in 1932-33 and Rs. 6-4-0 in 1933-34 and Rs. 5 in 1912-13 per proof gallon, the total taxation per proof gallon amounted to Rs. 16·15 in 1933-34 as against Rs. 11·35 in 1932-33 and Rs. 9·29 in 1912-13.

Other liquor.

320. *Indian fermented liquor.*—No Indian fermented liquors were used in the Province.

321. *Imported liquors.*—In the N.-W. F. Province as elsewhere the excise revenue derived from foreign liquors consisted only of the licence fees paid for the right of sale; the import duty on imported liquors being levied under the Indian Tariff Act and credited to Customs revenue; still-head duty on Indian-made foreign liquors including beer, excised at tariff rates was realised in the province of production. A sum of Rs. 1·81 lakhs was recovered in the Punjab and United Provinces on this account from the imports made into the N.-W. F. Province against Rs. 1·45 lakhs in the year 1932-33.

The receipts from fees for licences to sell imported liquors by wholesale or retail in 1933-34 amounted to Rs. 49,119 against Rs. 38,498 in the preceding year and Rs. 45,000 in 1912-13.

322. *Vend arrangements and consumption.*—Sales of foreign liquors imported were as under :—

	1916-17.	1932-33.	1933-34.
Wines (Imperial gallons) . .	2,351	3,476	3,623
Malt Liquors	4,841	76,912½	72,615
Spirits	10,219	10,570	12,657

323. *Indian Beer.*—There were no breweries in the Province but Malt liquors were imported from the Murree Brewery in the Punjab on payment of duty at the place of production. 164,202 gallons of this liquor were sold during 1933-34 in the Province. In 1932-33, 181,671 gallons of this liquor were sold as compared with 59,628 gallons in 1912-13.

324. *Medicated Wines*—Medicated wines containing alcohol in quantities exceeding 10 per cent. but not exceeding 21 per cent. by weight (equivalent of 42 per cent. of proof spirit) were sold under licences granted by Collectors on payment of a fee of Rs. 50 per annum.

325. *Location of liquor shops.*—The number and sites of all licensed liquor shops are fixed annually by the Collector, but in practice few alterations either in number or site are made from year to year. In 1933-34 there were no local advisory committees in any district but their place was taken by the Municipal Committees and District Boards. Before opening a new shop, notice was given to the residents of the locality, in case they wished to show cause against the shop being opened.

The accounts were adjusted by book transfer as last year, and no change occurred during the year under report.

326. *Offences and convictions.*—The total number of persons prosecuted for offences in respect of intoxicating liquors in 1933-34 was 27 against 28 in the previous year and 13 in the year 1912-13. The number of convictions was 19 in 1933-34, 23 in 1932-33 and 12 in the year 1912-13. The number of persons convicted for drunkenness in the Municipal areas in the N.-W. F. Province in 1933-34 was 37 as against 21 in 1932-33 and 96 in 1912-13. Out of 22 cases in 1933-34 tried for offences relating to intoxicating liquors, all related to illicit possession, sale or adulteration of country spirit.

327. *Administrative agency.*—The province possessed no separate Excise Commissioner, the office being merged in that of the Revenue Commissioner. The Excise Administration of each District was in charge of an Assistant or Extra Assistant Commissioner, who, however, also was not a wholetime officer. The preventive establishment consisted of an Excise Inspector and Excise Sub-Inspector and a few Excise peons in each district. Dera Ismail Khan was, however, without an Inspector, while the Sub-Inspector of Kohat was entrusted with Customs and Tirni collections work and the supervision of a few excise shops in Hangu Tahsil. The post of Excise Sub-Inspector in the Bannu District was retrenched as a measure of economy in December 1931 and since then the Inspector had had to control both the district and the North Waziristan Agency. In the Peshawar District there were two travelling Sub-Inspectors to check smuggling of opium and charas from across the Mohmand and Swat Borders, as also to supervise the liquor vends of Charsadda and Mardan circles and the Malakand Agency respectively. There was also a Superintendent of Excise who supervised all branches of excise and customs in district and agencies of the N.-W. F. Province. He was also the Officer Incharge of the E. I. B. opened since 1913 to collate information relating to the smuggling of excisable articles within and outside the province. The

Bureau formed a branch of the Revenue Commissioner's Office and the Superintendent of Excise was assisted by an Inspector and Sub-Inspector of Excise.

328. *Incidence of excise revenue per head.*—Calculated on the census figures and the revenue figures given above, the average total of excise revenue realised in the province in 1933-34 was Re. 0-5-5 per head of population of which 76·32 per cent. was derived from the manufacture or licensed vend of liquors.

In 1932-33 the average total excise revenue per head of population was Re. 0-5-9 of which 61·86 per cent. was derived from liquors against Re. 0-3-8 of which about 50 per cent. was derived from liquors in 1912-13.

CHAPTER XII.

DELHI.

329. *Excise revenue.*—The total excise revenue of Delhi Province as realised under the following heads was Rs. 6·58 lakhs. This excludes Rs. 2·47 lakhs on account of still-head duty recoverable by book transfer from other provinces on spirits, etc., imported into Delhi Province during the year under report.

Head.	Receipts in lakhs of rupees.	Percentage of total Excise Revenue.
(1) Spirit made in British India . . .	2·62	39·8
(2) Imported spirits including beer . . .	0·46	6·9
(3) Opium and its preparations . . .	1·78	27·05
(4) Hemp drugs	1·70	25·9
(5) Fines and Miscellaneous	0·1	·1
Total .	6·66	99·75

Still-head duty from Punjab and United Provinces.—The figures of the total Excise revenue (excluding duty realised in other provinces) for the Delhi Province for the year 1933-34 compared with those of 1912-13 and 1932-33 may be summarised as below :—

	1912-13.	1932-33.	1933-34.
(1) Spirit made in India . .	1·53	2·62	2·62
(2) Imported foreign spirit including beer	0·22	0·44	0·46
(3) Opium and its preparations .	·72	1·69	1·78
(4) Hemp drugs	·68	1·72	1·70
(5) Fines and Miscellaneous . .	nominal	nominal	nominal
Total .	3·15	6·47	6·56

This memorandum is concerned only with the first two items above.

330. *Law regulating liquor traffic.*—The liquor traffic in the Delhi Province was regulated by the Punjab Excise Act, I of 1914, as applied to the Delhi Province and by rules framed thereunder.

Country Spirit.

331. *System and source of supply.*—There was no distillery in Delhi Province. All spirits consumed were imported from the Punjab and United Provinces on payment of duty in those provinces. The country spirit revenue of the Province consisted of receipts from licence fees and still-head duty realised from the exporting provinces by book transfer credit.

332. *Wholesale vend.*—Three licences for the sale of country spirit by wholesale to the trade were granted at a fixed fee of Rs. 50 as in 1932-33. The wholesaler could obtain his supplies of spirit from any of the distilleries of the Punjab or from the Rosa Distillery in the United Provinces or from a wholesale vend depot situated within the Delhi Province. He could sell to

wholesale as well as retail vendors in quantities larger than 1½ Imperial pint or one reputed quart bottle at a time.

333. *Retail vend.*—The number of retail licences for vend of country spirit during the year 1912-13 was 15 as against 10 during 1933-34. These ten licences were disposed of by the auction system. Monopolies for retail vend of country spirit were not permitted to be formed. Licences were disposed of for a term of one year only at a time, which terminated on the 31st of March each year.

The total consumption of country spirit, both plain and spiced, during the years 1912-13, 1932-33 and 1933-34 was as follows :—

	1912-13. Gallons.	1932-33. Gallons.	1933-34. Gallons.
(1) Plain Country Spirit . .	28,821	15,274	10,160
(2) Spiced Country Spirit . .	3,694	10,480	10,618
Total . .	32,515	25,754	20,778

334. *Consumption and average taxation.*—The average consumption of country spirit per 100 of population during the year 1912-13, 1932-33 and 1933-34 was 7·82, 5·06, and 3·26 proof gallons respectively.

The decrease was due partly to economic conditions and partly to the retail rates in Delhi being higher than those prevailing in the rural and urban shops in neighbouring Punjab Districts. Sales of special spirit increased because licensees endeavoured to improve the sale of this class of spirit with a view to derive higher profit in their business. The incidence per proof gallon of duty and vend fees respectively during the years 1912-13, 1932-33 and 1933-34 was as follows :—

From Duty.			From Vend Fees.			Total.		
1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.
5	7·5	6·25	3·95	10·18	12·5	8·95	17·07	18·75

335. *Import of spirit from other provinces and duty realised thereon.*—During the year 25,098·4 L. P. gallons of country spirit were imported from the Punjab into the province and the duty realised thereon amounted to Rs. 1,56,865. In addition to this 3,128·3 proof gallons of Indian made foreign spirit paying a duty of Rs. 54,746-2-0 and 40,140 bulk gallons of beer with a duty of Rs. 28,203 were also imported during the year under report. The imports into the province from the United Provinces amounted to 368·9 L. P. gallons of Indian made foreign spirit and 56·4 L. P. gallons of rectified spirit with a duty of Rs. 6,455-12-0 and Rs. 1,264-15-0 respectively The figures of imports for the preceding year were as under :—

	1932-33								
	From Punjab (proof gallons).	Duty.			From United Provinces (proof gallons).	Duty		
		Rs.	a.	p.		Rs.	a.	p.
Country spirit . . .	28,325·2	2,12,439	0	0	30·2	332	3	0
Indian made foreign spirit .	1,303·7	31,777	11	0	260·2	6,342	6	0
Beer	56,445	39,937	8	0	..	..		
Rectified spirit . . .	..	..			24·1	587	7	0

During the year 1912-13 all imports of country and Indian made foreign spirit were made from the Punjab only.

Native fermented liquor was not manufactured or sold in the province.

336. *Foreign liquor.*—The excise revenue derived in the province from foreign liquor consisted to licence fees and still-head duty on Indian made foreign spirit imported from the Punjab and the United Provinces.

A licence for the wholesale or retail vend of foreign liquor to the trade was granted on payment of Rs. 50 per annum. The licensee could sell beer, medicated wines and spirits coloured and sophisticated, whether imported or made in the country. The number of such licences issued during 1933-34 was 6, as against 5 in the year 1912-13.

Licences for retail vend of foreign liquor for consumption off the premises, were granted at a fee calculated on the recorded sales of the preceding year or on the sales expected in case of new licences at Re. 1 per gallon for wine, and spirits and Re. 0-0-6 per gallon for beer. Licences for consumption of foreign liquor on the premises were likewise assessed at Rs. 4-8-0 per gallon on sales of wines; Rs. 1-8-0 for spirits and Re. 0-6-0 for beer.

337. *Retail vend.*—Two bazar shops for the sale of foreign liquor were disposed of by auction during 1933-34. The following table shows the number of licences of each kind issued during the years 1912-13, 1932-33 and 1933-34 :—

(1) First class shops of approved respectability for 'Off' Consumption . . .	5	10	10
(2) Shops in Bazar . . .	2	2	2
(3) Hotels	7	13	11
(4) Restaurant Room . . .	3	10	11
(5) Railway Refreshment rooms .	1	1	2
(6) Theatres, Bars, etc. . .	9	57	92*
(7) Dak Bungalows . . .	1	1	1
(8) Military Canteens . . .	4	19	8
(9) Dining Car	..	1	..

* Includes four permanent bar lincences in form L. 22-A.

The rates for assessment of fees to be calculated on the preceding year's sales or expected sales in case of new licences as already noted were applicable both to imported and Indian made liquors. An exception was made in case of Canteen licences which were charged a fixed fee of Rs. 24 for a regiment and Rs. 12 for a unit.

338. *Sale and consumption of liquor.*—The quantities of foreign spirits, wines and beer sold wholesale and retail during the years 1912-13, 1932-33 and 1933-34 were as under :—

	Wholesale Vend.			Retail Vend.		
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.
Spirits . . .	2,951	18,722	16,964	6,616	7,728	11,620
Wine . . .	842	7,442	8,921	1,097	2,837	4,274
Beer . . .	31,463	128,311	103,602	6,760	60,914	81,013

The all round increase under retail vend was due to larger supplies to Clubs and Messes by local licensees. The consumers of the adjoining districts of the United Provinces also preferred to obtain their requirements from

Delhi on account of the comparatively cheaper rates prevailing there. The fall in the wholesale business under heads "Spirits" and "Beer" was due to the licensees having got better terms from wholesalers outside than from local firms. The rise under the head 'Wine' was due to favourable rates offered by local wholesalers for this class of spirit.

The steady rise in consumption as compared with the year 1912-13 was due to a very large increase in the higher classes of the population owing to the transfer of the seat of Government to Delhi.

339. *Receipts.*—Licence fees realised for licences to sell foreign liquor both wholesale and retail in 1912-13, 1932-33 and 1933-34 amounted to Rs. 19,691, Rs. 44,462 and Rs. 43,420 respectively.

340. *Medicated wines.*—No licence was required for the sale of medicated wines containing less than 20 per cent. of proof spirit but medicated wines containing more than 20 per cent. but not exceeding 42 per cent. could only be sold on payment of a licence fee of Rs. 50 annually. There was only one such licence in 1933-34 against five in 1932-33. Sales during 1932-33 amounted to 46 gallons, as against 31 gallons during the year under report.

341. *Methylated spirit.*—These licences were granted by the Collector at a fee of Rs. 25 per annum. Possession and sale of spirit was limited to 500 gallons. The Chief Commissioner could grant licences for possession of more than 500 gallons at a fee of Rs. 100. The number of licences issued during the years 1912-13, 1932-33 and 1933-34 were 6, 47 and 47, respectively.

342. *Rectified spirit.*—Licences for possession and sale of rectified spirit not exceeding 10 gallons were granted by the Collector to persons of approved respectability at a fee of Rs. 25 per annum, possession of larger quantities was subject to the Chief Commissioner's sanction.

Licences for the possession of rectified spirit for use in the manufacture of drugs, medicines and tinctures were also granted by the Collector to recognised medical practitioners free of charge. The number of such licences was 2, 7 and 7 during the years 1912-13, 1932-33 and 1933-34, respectively.

343. *Offences.*—The number of persons arrested and convicted under the Dangerous Drugs, Opium and Excise Acts was 103 and 94 against 118 and 110 during the year 1932-33. The number of persons arrested and convicted under the Excise and Opium Acts during the year 1912-13 was 124 and 95, respectively.

344. *Administrative agencies.*—The Chief Commissioner was the head of the Excise Administration in Delhi. The executive Excise administration was usually in the special charge of an Extra Assistant Commissioner under the control of the Collector and the preventive establishment consisting of an Excise Inspector and three Sub Inspectors worked under the supervision of the Superintendent of Police, Criminal Investigation Department.

345. *Average total excise revenue.*—Calculated on the census returns of 1911, 1921 and 1931 the average excise revenue per head (exclusive of still-head duty) of the Delhi Province for the years 1912-13, 1932-33 and 1933-34 works out at annas 0-12-0, Rs. 1-0-4 and Rs. 1-0-6, respectively.

346. *Excise Advisory Committee.*—No meeting was held during the year. The advice of the Excise Advisory Committee was followed so far as it did not interfere with the Excise policy.

CHAPTER XIII.

AJMER-MERWARA.

347. *Excise revenue.*—The Excise receipts for 1933-34 amounted to Rs. 6·65 lakhs made up as follows :—

	Receipts (in lakhs of rupees).	Percentage of total Excise revenue.
1. Country spirit	5·41	81·35
2. European liquors	0·04	0·61
3. Opium and its preparations	0·57	8·57
4. Hemp drugs	0·62	9·32
5. Miscellaneous (including fines and forfeitures) 6. Methylated spirits	0·01	0·15
	6·65	100·00

The total excise revenue in 1932-33 amounted to Rs. 6·31 lakhs, against Rs. 3·52 lakhs in the year 1912-13.

In 1932-33, the revenue from country spirit was Rs. 5·22 lakhs and represented 82·73 per cent. of the total excise receipts. In 1912-13, the country spirit receipts amounted to Rs. 3·03 lakhs and were 86·1 per cent. of the total excise revenue during that year.

This memorandum is concerned only with the first two items.

348. *Law regulating liquor traffic.*—The Indian Excise Act (XII of 1896) was repealed by the Excise Regulation (I of 1915), which was brought into force on the 15th February 1915.

Country Spirit.

349. *Distillery system in force—Supply and wholesale vend arrangements.*—The district monopoly system formerly in force was superseded by the contract distillery system with effect from the 1st April 1908. Under the new system the privilege of manufacture and supply of country spirit throughout the district of Ajmer-Merwara was disposed of by tender, triennially subject to renewal at the option of the Collector for such further period, not exceeding two years, as he might determine. The successful tenderer, otherwise called the contract supplier, had the monopoly of supply of liquor to retail vendors within the area of his contract. Some of the essential features of the contract were :

(1) The *arrack* supplied was distilled from *mahua* and *gur* at the Ajmer distillery, and was issued at the strengths of 25° under proof and 50° under proof at the rates specified in paragraph 350 below. No *gur* liquor was manufactured during the year, the requisite quantity being imported from Cawnpore. The distillery and its appurtenances were the property of the distiller and contract supplier. He was required to equip and maintain his distillery on a plan approved by the Collector of Excise and was bound to make any alterations and additions which that officer considered necessary in the interests of the revenue. The distillery was under the charge of a responsible officer, whose duty it was to check carefully every detail in the process of manufacture, and to pass the spirits for consumption on payment of duty.

(2) The distiller was bound to provide house accommodation, the rent of which must not exceed a fixed sum, for the distillery officer and his staff, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

(3) The distiller was forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicants in his contract area.

(4) The distiller was also required to open wholesale shops (of which there were 5 in 1933-34) for the adequate supply of liquor within his contract area. Issues from wholesale shops were made only to other wholesale shops and independent shopkeepers in quantities of not less than 9 gallons and ½ a gallon, respectively. The wholesale shops were a necessary link between the distillery and the petty shopkeepers, who could not afford to purchase more than a few gallons at a time or go long distances to obtain liquor. The spirit in the wholesale shops was duty paid and no blending or reducing operations were permitted therein.

(5) On the termination of the contract at the end of three years it was open to the contract supplier to renew the contract for a further period of two years. Failing this, the in-coming contract was required to take over at his contract rate any spirit of good quality that the out-going contractor might have left in the distillery or wholesale shops not exceeding two months' supply of the contract area. The incoming contractor was also required to take over at a valuation made by the Collector, all such distillery buildings, plant, vessels, furniture, tools, instruments, etc., as the Collector considered expendient and necessary for the proper working of the distillery, and the out-going contractor was bound to hand over to the Collector or to the incoming contractor as the Collector might direct, all the distillery buildings, plant, etc., at the valuation made at the termination of the contract by the Collector, or by such other officer as the Collector deputed.

350. *Still-head duty and consumption.*—The still-head duty was raised with effect from the 1st April 1923, to Rs. 8 and Rs. 5-10 per L. P. gallon in the urban and rural area, respectively. In 1912-13 the rates of still-head duty were Rs. 4-6 per proof gallon in urban and Rs. 3-12 per proof gallon in rural areas. The contract rates at which spirits were supplied by the contract supplier were as under :—

	Per gallon of—	
	25° U. P.	50° U. P.
	Rs. A. P.	Rs. A. P.
Mahua	1 0 6	0 11 0
Gur	1 2 9	..
Aniseed	1 2 9	..

In 1912-13, the contract supplier supplied spirits at the following rates:—

	25° U. P.	50° U. P.
	Rs. A. P.	Rs. A. P.
Mahua Liquor	0 13 6	0 8 0
Gur Liquor	0 15 0	0 9 6

The total issues from the distillery in 1933-34 amounted to 63,480 proof gallons and the duty receipts therefrom were Rs. 5·41 lakhs including the receipts from vend fees amounting to ·78 lakh. The average taxation per proof gallon was Rs. 8-8-4 of which Rs. 7-4-8 were derived from duty.

In 1932-33, the total quantity of spirit issued from the distillery was 60,880 proof gallons against 51,780 proof gallons in 1912-13. The average consumption of spirit per 100 of population in 1912-13, 1932-33 and 1933-34 was 10·33, 10·36 and 11·32 proof gallons, respectively. The total receipts from spirit in 1932-33 amounted to Rs. 5·22 lakhs (4·49 from duty) against 3·03 lakhs (2·13 lakhs from duty) in 1912-13. The average total taxation per proof gallon in 1932-33 was Rs. 8-9-1, against Rs. 5-13-8 in 1912-13.

351. *Retail vend arrangements.*—The right of retail vend of country spirit was sold by auction by separate shops. The independent shop-keepers were required to obtain all their liquor from the contract distiller, either direct or through the agency of the wholesale shops referred to in paragraph 350 above. In order to obviate the watering of liquor by shopkeeper and to facilitate the detection of smuggled liquor the independent shopkeepers were bound, as a condition of their licences, to sell their liquor at the fixed issue strengths of 25° under proof and 50° under proof. The great bulk of the liquor sold was of the strength of 25° under proof.

The distiller could also prepare and sell in sealed bottles sweetened *masala* liquor at strengths of 25° under proof and 50° under proof. This consisted of the raw *mahua* liquor to which sugar and other ingredients such as aniseed and cardamom were added. The demand for such liquor was small.

The total number of country spirit shops in 1912-13, 1932-33 and 1933-34 was 128, 111 and 112 respectively.

352. *Privileged private distillation.*—Certain *Tazimi Istimrardars* of Ajmer were allowed the privilege of distilling liquor from *mahua* or molasses, on their own premises and for their own consumption, under special licences issued by the Collector. The liquor was required to be manufactured in a place open to inspection by the superior officers of the preventive establishment, and the total amount distilled was subject to a maximum limit fixed by the Collector. No charge was made for the privilege.

353. *Toddy.*—Drawing and selling of toddy has been stopped.

Foreign Liquors.

354. These include not only spirits and liquors imported from Europe but also sophisticated and flavoured spirits made from special bases which are taxed at the tariff rate of duty. No such liquors were manufactured in Ajmer-Merwara. The Excise revenue therefrom was derived from vend fees. The scale of fees for the various licences was as follows :—

	Per annum. Rs.
1. Wholesale vend	100
2. Retail vend	250
3. Canteen licences	24 and 12
4. Refreshment room and hotel	100
5. Beawar retail vend	50
6. Deoli retail vend	50

Foreign liquors (except gin for which a strength of 35° under proof was prescribed) and denatured spirits kept for sale could not be weaker than 25° under proof. Liquors, whiskies and brandies selling at not less than Rs. 24 per gallon were, however, sold at strengths lower than 25° under proof.

When liquor was bottled in India the labels on the bottles had to show the fact of such bottling and the name of the bottler. Retail vendors of foreign liquors were not allowed to alter either the nature of their liquor or the labels under which they had purchased it on pain of forfeiture of their licences.

The duty on Shahajahanpur rum consumed in Ajmer-Merwara was credited to the Central Government:

355. *Consumption and licences.*—The statement below shows the consumption of imported foreign liquors and the total number of retail licences (including refreshment room and hotel, dak bungalow and dining car licences, etc.) for the years 1916-17, 1932-33 and 1933-34:

Consumption in Imperial Gallons.

Year.	No. of licences.	Spirits.	Wines.	Malt liquors.
1916-17	13	3,944	800	32,610
1932-33	14	1,785	755	16,959
1933-34	13	1,713	1,480	14,720

Location of Shops.

356. The sites of liquor shops were approved by the Collector, and shops were closed or their sites altered with reference to considerations of police administration and the public good generally. In municipal towns public opinion was also consulted before deciding upon the number and localities of shops. Shops were at all times open to inspection by the superior officer down to the rank of Sub-Inspectors.

Excise Offences and Convictions.

357. In 1912-13 the number of persons convicted for drunkenness in the Municipal areas was 152, against 67 in 1932-33 and 65 in 1933-34. In 1932-33 the total number of cases under the Excise Regulation, the Dangerous Drugs Act and the Opium Act was 40. In these cases 46 persons were implicated, of whom 33 were convicted, 8 acquitted or discharged and 5 were under trial at the close of the year. In 1933-34 the total number of cases under the Excise Regulation, the Dangerous Drugs Act and the Opium Act was 40. In these cases 49 persons were implicated, of whom 29 persons were convicted, 14 acquitted or discharged and 6 were under trial at the close of the year.

Administrative Agency.

358. The Excise administration was conducted under the control of the Commissioner, by the Assistant Commissioner, who was Excise Collector for the entire district of Ajmer-Merwara. A small special preventive establishment was employed, the duties of which in respect to liquors were to repress illicit distillation or smuggling, and to see that sales at shops were in accordance with the conditions of the licence. A superintendent of Excise was appointed for controlling the distillery and preventive establishments.

Incidence of Excise revenue per head.

359. Calculated on the Census figures of 1931, the average total Excise revenue per head of population in 1933-34 was Rs. 1-2-11, of which about 5/6th was debitable to liquors.

In 1932-33, the average Excise revenue per head was Rs. 1-2-0 (5/6th from liquors) against Re. 0-11-3 (7/10th from liquors) in 1912-13.

CHAPTER XIV.

COORG.

360. *Excise revenue.*—The Excise receipts for 1933-34 amounted to Rs. 2·48 lakhs as shown below and bore a percentage of 20·64 to the total gross revenue of the Province :—

Heads.	Receipts in lakhs of Rupees.	Percentage of total Excise revenue.
Country Spirit	1·54	62·10
Toddy	0·76	30·65
Imported Liquors	0·02	0·81
Beer	0·03	1·21
Opium	0·02	0·80
Hemp Drugs	0·09	3·63
Miscellaneous	0·02	0·80
Total	2·48	100·00

The total Excise receipts amounted to Rs. 2·65 lakhs in 1932-33 as against 2·47 lakhs in 1912-13. (Statement XI). The revenue from country spirt in 1932-33 was Rs. 1·76 lakhs and formed 66·40 per cent. of the total Excise revenue. The corresponding figures for 1912-13 were Rs. 1·91 lakhs and 77·3 per cent. respectively. (Statements VII and VIII.) The net revenue from Excise during the year showed a decrease of 0·42 per cent. and a decrease of 0·70 per cent. on the corresponding figures for 1912-13 and 1932-33.

The memorandum is concerned only with the first four items.

Law regulating liquor traffic.

361. In 1912-13, the Excise Act, XII of 1896 applied to Coorg. In 1932-33 and 1933-34, the Excise Regulation I of 1915, was in force.

Country Spirit.

362. Coorg had no separate distillery. Country spirit was supplied under the contract distillery system. Spirit distilled from sugarcane jaggery, was imported under bond from Nellikuppam in the South Arcot District of the Madras Presidency. The contract for the supply and wholesale vend of spirit was disposed of by tender annually. The successful tenderer had the monopoly of supply to the retail vendors within the Province. The still head duty to be paid to Government was fixed, and tenderers were required to state at what rate they were prepared to supply spirit of certain fixed strength at fixed local stations in the Province.

363. The contract for the import and wholesale vend of country spirit during 1933-34 was granted to Messrs. Parry & Co., Ltd., Madras, the contractors of the Nellikuppam Distillery, who agreed to supply spirit of 30° under proof, at the fixed local centres at Rs. 1-14-0 per gallon over and above the duty of Rs. 6-6-6.

Duty and strength at Issue.

364. The rate of duty in 1933-34 (Rs. 9-2-5 per proof gallon) continued the same as in the previous year. The duty per proof gallon during 1912-13, was Rs. 5-10-0. The strength at which the spirit was sold to the public during 1912-13, 1932-33 and 1933-34 was 30° under proof. The duty payable on issues amounted to Rs. 1·10 lakhs in 1933-34 as against 1·17 lakhs in 1932-33 and Rs. 1·49 lakhs in 1912-13.

365. A Bonded Warehouse has been established at Mercara in a Government building and a rental of Rs. 1,284 was charged during the year under report for its use by the firm. The overproof spirit imported was reduced there to the required strength under Government supervision before issue for sale.

Wholesale Depots.

366. Wholesale depots were run by the contractors and their number was fixed by the Commissioner. There were four such depots in each of the years 1933-34, 1932-33 and 1912-13. The issue price at depots was Rs. 8-4-6 during the years 1933-34 and 1932-33 per gallon of 30° under proof as against Rs. 4-14-6 per gallon of the same strength in 1912-13. The spirit kept in the wholesale depots was all duty paid.

Retail Vend.

367. The right of retail vend of country spirit was sold by public auction by separate shops throughout the Province. The wholesale contractors were forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicating liquors, in their contract area. The retail shopkeepers were required to obtain the liquor from the nearest wholesale depot referred to above. The price of *arrack* at the retail shops was fixed at a flat rate of Rs. 10-10-0 per bulk gallon during 1933-34 and 1932-33. In 1912-13, the minimum retail price in towns where there were more than one shop was fixed at Rs. 5-8-0 per bulk gallon and at a maximum rate of Rs. 6-4-0 per gallon elsewhere.

368. *Number of shops.*—The number of shops for the retail sale of country spirit in both the years 1932-33 and 1933-34 was 27 against 33 in 1912-13.

369. *Consumption.*—The consumption of country spirit in 1933-34 was 12,108 proof gallons, compared with 13,459 in 1932-33 and 26,493 proof gallons in 1912-13. The average consumption of country spirit per hundred of population during the year 1933-34 was 7·41 proof gallons compared with 8·26 in 1932-33 and 15·14 proof gallons in 1912-13. The average consumption in 1933-34 fell by 0·85 and 7·73 proof gallons when compared with that of 1932-33 and 1912-13 respectively.

370. *Average taxation.*—The receipts under vend licence amounted to Rs. 0·45 lakhs in 1933-34 as against Rs. 0·59 lakhs in the previous year and 0·42 lakhs in 1912-13. Adding to the 1933-34 figures the sum of Rs. 1·09 lakhs realised from duty, the receipts from country spirit amounted to 1·54 lakhs as against Rs. 1·76 lakhs in 1932-33 and Rs. 1·91 lakhs in 1912-13. The total average taxation in 1933-34 amounted to Rs. 12-13-7 per proof gallon, of which Rs. 9-2-5 was derived from duty. The average taxation per proof gallon in 1932-33 was Rs. 13-8-11 (Rs. 9-2-5 from duty) and Rs. 7-3-4 (Rs. 5-10-0 from duty) in 1912-13.

371. *Toddy.*—Toddy (known in Northern India as *tari*) is the sap of the palm tree.

372. *Unfermented or sweet toddy.*—Unfermented toddy was not subject to any taxation; but it had to be drawn in pots freshly coated internally with lime to prevent fermentation. Licences were obtained for the tapping of the trees for sweet toddy and they were issued free.

373. *Fermented toddy.*—There was no tree tax system as in Madras.

374. *Supply and vend.*—The right of obtaining and selling toddy in each of a number of sanctioned shops was leased by auction. The contractor could tap mature trees on Government lands free of charge, but had to make his own arrangements with private tree owners. The latter could draw toddy from their trees for their own consumption, but could not dispose of it otherwise or grant the right of tapping their trees except to the vend renter and for cash payment only. The limit of private possession without a licence was fixed at four seers. The number of licences for the retail sale of toddy in 1933-34 was 43 as against 42 in the preceding year and 88 in 1912-13. Passes were granted to bakers on payment of one rupee per annum to obtain stale toddy from the retail shops for the manufacture of bread.

375. *Taxation.*—Rental realised at the auction sales of retail shops was the only source of revenue under this head. The revenue realised in 1933-34 was Rs. 0·76 lakhs as against Rs. 0·73 lakhs in 1932-33 and Rs. 0·46 lakhs in 1912-13.

376. *Imported liquors.*—Excise revenue on imported liquors was derived only from licences for the privilege of vend. Licences for the wholesale and retail sale of imported liquors were granted on payment of a fixed fee of Rs. 240 and Rs. 120 per annum, respectively. The number of wholesale shops in 1933-34 was three, against the same number in the preceding year and one in 1912-13. The number of retail shops in each of the years 1933-34, 1932-33 and 1912-13 was 4, 5 and 7 respectively.

377. *Consumption.*—The statement below shows the consumption of imported liquors in each of the years 1916-17, 1932-33 and 1933-34.

Year.	Spirits (in Imperial gallons).	Wines (in Imperial gallons).	Malt liquors (in Imperial gallons).
1916-17	1,503	360	1,022
1932-33	1,046	124	1,445
1933-34	1,276·6	143	2,175

Country Beer, etc.

378. There were no breweries in Coorg. Beer required for consumption in Coorg was imported from the Bangalore Brewery. Four shops were licensed for the sale of beer during the years 1933-34 and 1932-33 as against one in 1912-13. The licences for these shops were disposed of by auction and were annual. The rental realised in 1933-34 was Rs. 1,332 against Rs. 1,618 in 1932-33 and Rs. 100 in 1912-13.

379. *Duty on beer.*—The duty on beer imported into Coorg was recovered at Bangalore and credited to Coorg revenues once in a quarter. The amount of duty realised in 1933-34 was Rs. 1,132-8-0, against Rs. 1,303-8-0 in 1932-33 and *nil* in 1912-13, as the arrangements referred to above were made only in 1925-26.

380. *Indian-made foreign liquor.*—Rules for the regulation of traffic in Indian-made foreign liquor came into force on 1st January 1932. The foreign

liquor licensees were granted licences for the privilege of vend in Coorg. No separate fee was charged for this privilege. The duty on Indian-made foreign liquor imported into Coorg was recovered at Madras and credited to Coorg revenues by book adjustment once in a quarter. The amount of duty realised in 1933-34 was Rs. 986-9-0, against Rs. 1,019-6-0 in the previous year.

381. *Consumption.*—52 gallons of Indian made foreign liquor were consumed during the year under report against 59·83 gallons in 1932-33.

General.

382. An Advisory Committee consisting of four official and five non-official members has been functioning since its inception in 1927. Its duties are to advise the Government regarding the number and location of shops and generally on matters connected with Excise. Prior to 1927, the location of shops was discussed with the Municipal Committees in case of shops within the Municipalities and with the residents of the locality in case of shops in rural areas.

383. *Offences and convictions.*—The number of prosecutions instituted was 43 as against 40 in the previous year. Convictions were awarded in 34 cases, compared with 35 in the previous year. The following table gives the details of offences committed :—

Year.	Smuggling of Ganja.	Illicit possession, distillation of country spirit.	Possession and sale of toddy without a licence.	Breach of conditions of licence.
1912-13 . . .	3	26	31	1
1932-33 . . .	1*	35	4	112
1933-34 . . .	1*	40	2	122

* Possession and sale of Ganja.

122 cases of breach of conditions of licence were reported during the year against 112 in the previous year. All these were compounded.

384. *Administrative agency.*—The Excise Administration in Coorg is under the Commissioner. A wholetime Officer at the Warehouse being found unnecessary, the Jailor of the Mercara Sub-Jail looks after the Warehouse. He draws a special pay of Rs. 30 per mensem for the additional work.

385. In 1933-34, there were one Excise Inspector and four Sub-Inspectors, the former with two peons and the latter with one peon each, for preventive purposes. Upto February 1932, all had two peons. The reduction was owing to retrenchment. The Police Sub-Inspectors are empowered under Section 54 of the Excise Regulation, to search without warrant, and the Parpattigars (Local Revenue Subordinates) under Section 51, to enter and inspect places of manufacture and sale of excisable articles. In 1912-13 one Excise Inspector with five Sub-Inspectors and twelve peons under him formed the preventive staff.

386. *Any important new legislation or resolution or bill in the Legislative Council.*—There was no new legislation or resolution.

387. *Average total Excise revenue.*—Calculated on the Census figures of 1931, the total Excise revenue in 1933-34 formed an average of Rs. 1-8-4 per head of population, the bulk of which was derived by taxation on liquors. In 1932-33, the incidence of Excise receipts per head amounted to Rs. 1-9-11, against Rs. 1-6-7 in 1912-13.

CHAPTER XV.

BALUCHISTAN.

388. *Excise Revenue.*—The total excise revenue for 1933-34 amounted to Rs. 5·49 lakhs including revenue derived from opium exported to the Kalat State and was made up as follows:—

	Receipts (in lakhs of rupees.)	Percentage of total excise revenue.
1. Country spirit	3·05	55·5
2. Duty on Indian-made beer. . . .	·69	12·5
3. Duty on Indian-made foreign spirits . . .	·36	6·6
4. Vend fees on foreign liquors . . .	·18	3·3
5. Opium and its preparations . . .	·52*	9·5
6. Hemp drugs	·69	12·6
7. Miscellaneous	Nominal.	..
Total . . .	5·49	100·0

* Includes Rs. 3,000 on account of sale proceeds of excise opium issued to the Kalat State.

The total excise revenue and the revenue from country spirits during the year 1932-33 amounted to Rs. 5·74 lakhs and Rs. 3·26 lakhs respectively, against Rs. 2·79 lakhs and Rs. 1·65 lakhs in 1912-13. In 1932-33 the revenue from country spirit bore a percentage of 56·8 to the total excise revenue for that year, against 59·1 in 1912-13.

This Memorandum is concerned only with the first four items.

389. *Law regulating liquor traffic.*—The liquor traffic was regulated by the Excise Regulation (I of 1915) which was brought into force on the 1st April 1915.

Country Spirit.

390. *Contract distillery system. Its introduction and gradual extension.*—Up to the year 1909 the manufacture and vend of country spirit throughout Baluchistan were combined under a monopoly system. The monopoly rights were sold each year by auction, each district usually forming a separate farm, and manufacture was carried on under the out-still system. On the 1st October 1909, however, a contract distillery system was introduced in the Quetta-Pishin, Sibi (with the exception of tribal areas), Loralai, Bolan and Chagai districts. It has since been extended to the Zhob district and was in force throughout Baluchistan during the year. The contract distillery system thus covered an area of 46,960 square miles and a population of 4,98,284 according to the Census figures of 1931. For the figures relating to the out-still area for the year 1912-13, see statement V.

391. *Description of the contract distillery system.*—There was only one distillery in Baluchistan, *viz.* the Government distillery at Quetta. All the country spirit required for consumption in Baluchistan was issued from this distillery. Under the contract distillery system the exclusive privilege of manufacture of country spirit at this distillery and its supply to licensed

vendors and others in Baluchistan was disposed of by tender and the successful tenderer had to supply country spirit to licensed vendors and others at the price accepted by Government.

The three years' contract regarding the manufacture of country spirit at the Government distillery at Quetta was given with effect from the 1st April 1933 to the firm of Messrs Sewa Singh Khiasing and Company. The distillers paid a monthly rent of Rs. 250 for the use of the building and plant.

The supply rate per London Proof gallon of plain country spirit was Rs. 1-13-9. This rate was decreased in proportion as the strength of spirit issued was less than London Proof.

392. *Bonded Warehouses.*—The only Bonded Warehouse, which was established at Jhatpat for the storage of country spirit to be supplied to licensed vendors in the Nasirabad Sub-Division and the Kachhi Railway Tahsil, was discontinued with effect from the 1st April 1933.

393. *Management of the distillery.*—There was an Inspector in charge of the distillery whose duty it was to control the manufacture and supply of the liquor. Issues for consumption were made direct from the distillery on payment of duty before the liquor was taken out. The minimum quantity allowed to be issued from the distillery at a time was 5 gallons.

394. *Issue strength and duty.*—Country spirit was issued from the distillery at fixed strengths of 10° and 20° under London Proof and was sold at those strengths; liquor issued at the strength of 20° under proof was required to be coloured red; that issued at the higher strength of 10° under proof was uncoloured. On issues for consumption by the general public, still-head duty at the rates specified below was charged :—

When issued for consumption in the Quetta Town :—

1912-13.	1932-33.	1933-34.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	
5 0 0	9 9 0	6 12 0	per gallon of 10° under proof.
4 7 0	8 8 0	6 0 0	per gallon of 20° under proof.

When issued for consumption in the Nasirabad and Kachhi Railway Sub-Division :—

1912-13.	1932-33.	1933-34.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	
3 8 0	6 2 0	4 5 0	per gallon of 10° under proof.
3 2 0	5 8 0	3 14 0	per gallon of 20° under proof.

When issued for consumption in other areas :—

1912-13.	1932-33.	1933-34.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	
4 0 0	9 9 0	6 12 0	per gallon of 10° under proof.
3 8 0	8 8 0	6 0 0	per gallon of 20° under proof.

395. *Vend arrangements.*—There were two kinds of vend licences, wholesale and retail. Wholesale vendors could sell liquor to retail vendors only. The licence fee was Rs. 15 to Rs. 25 per annum as fixed by the Collector. The

right to sell liquor by retail was sold by public auction, for each shop separately, the number of shops being determined before hand. Maximum rates at which retail vendors could sell liquor was fixed by the Revenue Commissioner.

Two wholesale and 42 retail licences in the distillery areas were issued during the year 1933-34, against two and 42 issued during the year 1932-33. There were one wholesale and 47 retail licences in 1912-13.

396. *Special permits for private consumption.*—Special permits could also be granted by Political Agents or Officers specially authorised by them, not being below the rank of Extra Assistant Commissioner, to persons of known respectability, under which they could obtain either direct from the distillery or through a retail (but not wholesale) vendor specially manufactured country spirit in quantities not exceeding 9 gallons at a time, for their private consumption. If such spirit was obtained direct from the distillery, still-head duty was levied upon it at the enhanced rates of Rs. 11-2-0 and Rs. 10-0-0 per gallon of spirits of the strength of 10° and 20° under proof respectively. In 1932-33 still-head duty was recovered at the rates of Rs. 13-6-0 and Rs. 12-1-0 respectively. In 1912-13 still-head duty was charged at the rate of Rs. 5-8-0 and Rs. 4-15-0 per gallon of spirit of the strength of 10° and 20° under proof respectively.

397. *Issues and average taxation.*—The issues from the distillery during 1933-34 amounted to 34,608 and 1,385 gallons of the strength of 10° and 20° under proof respectively, equivalent to 32,247·2 gallons London Proof. The revenue realized from duty amounted to Rs. 2·39 lakhs and that from vend fees to Rs. 0·62 lakh. The average taxation was Rs. 9·35 per proof gallon of which Rs. 7-4-2 were derived from duty.

In 1932-33 the total quantity of spirit issued from the distillery was 24,057 gallons London Proof compared with 23,599 gallons London Proof in 1912-13. The total receipts from spirit amounted to Rs. 3·26 lakhs in 1932-33 and Rs. 1·57 lakhs in 1912-13. The average taxation per proof gallon in 1932-33 was Rs. 13·46 (Rs. 10·50 from duty), compared with Rs. 6·65 (Rs. 5·01 from duty) in 1912-13.

The total consumption of country spirit in the Agency was 32,247·2 proof gallons in 1933-34 against 24,057·5 in the preceding year and 25,072 proof gallons in 1912-13. The average consumption of country spirit per 100 of the total population in the years 1912-13, 1932-33and 1933-34 was 6·05, 5·89 and 7·90 gallons respectively. Thus there was an increase of 25·44 per cent. in the consumption as compared with that of 1932-33 and an increase of 23·42 per cent. in that of 1912-13.

Indian-made Foreign Spirit.

398. *Manufacture and duty.*—Country spirit made in the Quetta distillery and coloured brown with caramel so as to resemble rum was issued to Indian regiments in Baluchistan at a concession rate of duty of Rs. 7 per gallon of 20° under proof. From the 1st November 1930, however, this concession was withdrawn and the rum so manufactured was treated as Indian-made foreign liquor and a duty of Rs. 17-8-0 per London Proof gallon was charged on it. From the 20th March 1931 this duty was enhanced to Rs. 24 per London Proof agallon and again from 1st November 1931 to Rs.24-6-0 which remained in force during 1932-33. From the 1st April 1933 it was reduced to Rs. 17-8-0 per London Proof gallon. 719·0 proof gallons of rum were issued from the Quetta distillery during 1933-34 against 381·8 gallons London Proof in the

previous year. The duty realised thereon was Rs. 12,582 in 1933-34 against Rs. 7,196 in 1932-33.

Indian-made foreign liquor was allowed to be imported from United Provinces and Punjab on prepayment of duty in those provinces for subsequent transfer to Baluchistan by book adjustment. The quantity imported in 1933-34 was 1,327·28 gallons of spirit and 893·3 of beer. The duty recovered for 1933-34 amounted to Rs. 24,428 against Rs. 27,121 for 1932-33.

Foreign Liquors.

399. *Vend arrangements.*—Foreign spirits and fermented liquor (including rum and beer whether imported from Europe or made in India after European methods) were sold under wholesale and retail licences, granted by the Collectors. Wholesale licences were granted on payment of fixed fees varying from Rs. 50 to Rs. 300 per annum according to local circumstances. The following retail licences were granted by the Collectors on the fixed fees stated against each :—

Class of licence.	*Scale of fixed fees.*
1. Retail vend of foreign liquor in a hotel, restaurant or billiard room.	Rs. 100 to Rs. 700 per annum.
2. Retail vend of foroign liquor in a railway refreshment room.	Rs. 25 to Rs. 250 per annum.
3. Retail vend of foreign liquor in a military canteen.	For regiments Rs. 24 per annum. For small units Rs. 12 per annum.
4. Retail vend of foreign liquor in a bazar for consumption off the premises.	Rs. 0 to Rs. 500 per annum.
5 Retail vend of foreign liquor at staging bungalows.	Rs. 12 to Rs. 25 per annum.
6. Retail vend of foreign liquor at a bar in a theatre or cinema or in any other temporary place of recreation.	Rs. 4 per day.
7. Retail vend of foreign liquor at a bar attached permanently to a theatre or cinema or other such place of entertainment.	Rs. 100 to Rs. 700 per annum.
8. Vend of medicated wines.	Rs. 25 per annum.

A licence for the retail vend of foreign liquor in a railway dining car could be granted and renewed by the Excise Commissioner at a fee ranging from Rs. 25 to Rs. 250 per annum.

A licence for the retail vend of foreign liquor in a bazar for consumption on the premises could be granted by the Collector on fee fixed by auction.

Sixteen wholesale and 26 retail licences (including one for consumption on the premises) for the vend of foreign liquors, were issued during the year 1933-34, compared with 16 wholesale and 28 retail licences in the preceding year and 5 wholesale and 16 retail licences in 1912-13. In 1933-34 there were also 14 hotel and 11 refreshment room and dak bungalow and 25 military canteen and 17 temporary stall licences. Forty seven licences were issued for the sale of denatured spirits in 1933-34, against 44 in the preceding year, compared with 12 licences in 1912-13.

400. *Consumption.*—The consumption of foreign liquor (imported) in 1932-33 and 1933-34 is compared in the following table :—

Description.	1932-33.	1933-34.
(*a*) Wine	1,662	1,690
(*b*) Spirits	5,439	6,044
(*c*) Beer	72,248	74,925

Malt Liquor.

401. *Breweries and beer etc.*—During the year under report there was only one brewery, namely that owned by the Murree Brewery Company, Limited, and situated at Kirani near Quetta. Under the new Brewery Rules which came into force with effect from the 1st July 1933 the Distillery Inspector, Quetta, was appointed to be in charge of the brewery at Kirani and performed the duties of a Brewery Inspector in addition to his own as Distillery Inspector. No fee was charged for licence to work the brewery and bottle beer made therein. The duty at the rate of twelve annas per Imperial gallon was levied once a quarter on the total quantity brewed during the quarter less 10 per cent. allowed for wastage. The receipts from brewery duty in 1933-34 amounted to Rs. 0·65 lakhs as against Rs. 0·75 lakhs in the previous year. The consumption of Indian-made beer in 1933-34 was 85,754 Imperial gallons, against 1,04,925 in 1932-33.

402. The brewer was granted a separate licence for the wholesale vend of fermented liquors manufactured at this brewery only on payment of a fee ranging from Rs. 50 to Rs. 300 per annum as fixed by the Collector. One such licence was taken out during the year 1933-34. Retail licences for the sale of fermented liquor for consumption on the premises only, were sold by auction. Two such licences, issued in the Quetta Town during 1924-25 remained in force during 1933-34.

Location of shops.

403. Except at Quetta there was no town or bazar in the Province in which there was an Advisory Committee. The Advisory Committee at Quetta consisted of 4 non-official and 3 official members, but its functions were merely Advisory, and no powers had been delegated to it. All questions connected with the reduction and location of shops and the hours of sale and other kindred matters were referred to it. Elsewhere the number and location of excise shops were carefully supervised by the local authorities, and the local Panchayats were consulted when any change was thought necessary.

404. *Offences and convictions.*—The number of persons convicted for drunkenness in Baluchistan during 1912-13, 1932-33 and 1933-34 was 65, 19 and 22, respectively. Country spirit in small quantities was illicitly imported from the Kalat State. Only one case of smuggling of country spirit was detected during the year.

Administrative Agency.

405. Excise arrangements were worked by the District Officers under the supervision of the Revenue Commissioner. Besides the Distillery Inspector referred to in paragraph 393 above, three Excise Inspectors had been appointed, one Excise Inspector for the Quetta-Pishin and Chagai Districts, one for

Sibi and Bolan District and the third for the Loralai and Zhob Districts. A Superintendent of Excise had been appointed for controlling the distillery and preventive establishments.

Average Total Excise Revenue.

406. Calculated on the Census figures of 1931, the total average excise revenue (excluding Rs. 3,000 on account of sale proceeds of opium issued to the Kalat State) per head of population in 1933-34 works out to Rs. 1·34, of which about 4/5th was contributed by liquors. In 1932-33 the average excise revenue was Rs. 1·40 per head, compared with Rs. ·67 in 1912-13.

CHAPTER XVI.

STATEMENT I.

Statement showing consumption (issues) of country spirit during 1912-13, 1932-33, and 1933-34 and the percentage of increase or decrease over the figures of 1912-13 and 1932-33.

[In L. P. Gallons.]

Province.	Absolute consumption of country spirit during			Average consumption of country spirit per 100 of the population calculated on the census figures of 1911 and 1931.			Percentage of increase (+) or decrease (—) of consumption during 1933-34 over the figures of	
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.
Madras Presidency	1,773,673	934,255	827,706	4·28	2·00	1·77	—53·64	—11·50
Bombay Presidency Proper	2,630,869	1,055,627	10,64,026	16·30	5·80	5·9	—63·8	+1·72
Sind	228,204	79,430	1,00,817	6·49	2·04	2·60	—59·93	+27·45
Bengal Presidency	851,534	271,005	2,46,246	1·87	0·54	·49	—73·79	—9·25
Burma	57,391	44,256	46,818	0·47	0·30	0·32	—18·42	+5·79
Bihar and Orissa	1,157,636	455,763	501,233	3·36	1·32	1·66	—56·44	+10·63
United Provinces	1,689,932	443,403	470,120	3·61	0·92	0·97	—72·18	+6·03
Punjab	419,932*	281,842	313,116	2·14	1·19	1·33	—25·4	+11·1
Central Provinces and Berar	1,201,346	188,289	305,570	8·63	1·21	1·99	—74·6	+62·3
Assam	247,363	153,053	135,501	3·68	1·89	1·68	—45·2	—11·46
N.-W. F. Province	24,296*	24,008	23,876	1·11	1·00	·99	—1·76	—·55
Delhi	32,505	25,754	20,778	7·82	5·06	3·26	—35·29	—19·3
Ajmer-Merwara	51,780	60,880	63,480	10·33	10·86	11·32	+9·58	+4·23
Coorg	26,493	13,459D	12,107D	15·14	8·26	7·41	—51·06	—10·29
Baluchistan	25,072	24,058D	32,247D	6·05	5·89	7·90	+23·42	+25·44
TOTAL	10,418,026	4,055,082	4,124,441D	4·27	1·12	1·52	—64·4	+0·4

* These figures represent sales, not issues.

STATEMENT II.

Classified statement showing consumption of potable foreign liquors during the years 1916-17, 1932-33 and 1933-34 and the total number of licenses (bazars, hotels, restaurants, dining cars, etc., including temporary, special and canteen licenses) for the retail sale of these liquors.

Province.	1916-17.					1932-33.					1933-34.				
	Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.	
				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).
Madras Presidency	503	145,083	28,340	792,413		612	92,081	17,641	430,600	254,576	665	(a) 90,514	16,837	416,061	231,878
Bombay Presidency Proper.	369	342,103	86,232	515,711	887,998	1,306	124,403	29,463	927,655	8,561	1,454	(a) 118,899	29,046	948,579	10,171
Sind	205	58,881	13,032	158,142	...	367	19,456	4,102	224,573	1,080	434	19,510	4,008	222,047	3,327
Bengal Presidency	544	213,444	39,056	247,478	48,030	523	140,935	24,122	478,462	...	596	142,436	23,087	462,893	...
Burma	324	67,200	280	3,120	191,868	762	(b)	(b)	(b)	183,701	733	(b)	(b)	(b)	184,873
Bihar and Orissa	140	14,352	3,912	22,763	...	246	16,254	4,193	75,010	5,931	336	14,515	3,911	64,844	1,039
United Provinces	540	65,388	27,338	118,781	125,261	1,116	52,860	25,511	199,175	264,543	1,457	48,546	23,165	152,365	253,192
Punjab	395	35,023	10,871	68,276	1,191,515*	621	41,818	14,839	204,658	869,247*	680	34,255	11,966	139,611	736,398*
Central Provinces and Berar (c).	85	27,643	4,707	169,870	138,844	156	3,753	679	54,766	33,324	103	3,771	634	40,868	20,141
Assam	104	...	3,228	20,239	...	123	13,395	2,992	23,924	...	135	13,044	2,643	26,597	...
North-West Frontier Province.	69	10,219	2,351	4,841	386,136	78	3,476	10,570	76,912	181,671	79	3,623	12,654	72,615	164,202
Delhi	28	7,819	1,556	7,489	1,844	113	7,728	2,837	38,230	45,376	136	11,620	4,276	61,362	19,651
Ajmer-Merwara	13	3,944	800	32,610	20	14	1,679	755	16,959	...	13	1,579	1,480	114,720	...
Coorg	8	1,503	360	1,022	2,499	8	1,046	124	1,445	1,738	9	1,277	143	2,175	1,510
Baluchistan	41	(b)	(b)	(b)	(b)	87	7,327	1,662	72,248	104,925	94	8,810	1,690	74,925	85,754
TOTAL	3,368	9,92,602	222,023	1,70,342	2,974,015	6,132	516,211	139,490	2,824,617	1,967,886	6,874	512,399	135,540	2,698,662	1,712,136
				792,413											

* Includes exports to other provinces.

(a) Figures given in imperial gallons. (b) Information not available. (c) Figures relate to calendar years except in the case of 1916-17.

NOTE.—Figure for the year 1916-17 have been substituted for those relating to 1912-13 (which has been adopted as the basic year in other statements) as the figures for the latter year are not reliable.

STATEMENT II (*a*)

Statement showing number and name of breweries, quantity of beer manufactured, rate of duty on beer revenue accring therefrom and quantity of beer issued from breweries during 1933-34.

Province.	Number and name of Breweries.	Quantity of Beer manufactured (Gallons).	Rate of Duty per gallon. Rs.	Revenue realised from duty. Rs.(In thousands).	Quantity of Beer issued from Breweries (Gallons):—			Quantity of beer (of Indian manufacture) imported from other provinces (Gallons)
					For consumption within the Province itself.	For export to other provinces in Br. India.	For export to Indian States.	
1	2	3	4	5	6	7	8	9
Madras	2. The United Breweries Ltd., Kethi. The United Breweries Ltd., Nadu Vakkarai	212,904	0 12 0	159·68	213,526	8	4,221	21,387
Bombay (including Sind).	*Nil.*	*Nil.*	0 12 0	4·86	..	No Brewery.		12,676
Bengal	*Nil.*	*Nil.*	0 12 0	8·58	..		Do.	12,173
Burma	1. Mandalay Brewery	187,321	0 8 0	80·80	184,873	*Nil.*	*Nil.*	*Nil*
Bihar and Orissa	*Nil.*	*Nil.*	0 8 0	4·66	..	No Brewery.		601
United Provinces	1. Ranikhet Brewery	27,641	0 12 0	136·60	28,390	*Nil.*	*Nil.*	161,145
Punjab	2. Murree Brewery Co., Rawalpindi. Dyer Meakin & Co., Solan.	805,158	0 12 0	557·53	307,106	425,834	4,981	374
Central Province and Berar.	*Nil.*	*Nil.*	0 12 0	15·33	..	No Brewery.		18,941
Assam	*Nil.*	*Nil.*	Tariff rate	..	*Nil.*		Do.	*Nil*
N.-W. Frontier Province.	*Nil.*	*Nil.*	0 12 0	129·00	..		Do.	175,733
Delhi	*Nil.*	*Nil.*	0 12 0	28·43	..		Do.	40,140
Ajmer Merwara	*Nil.*	*Nil.*	Tariff rate	*Nil.*	..		Do.	741
Baluchistan	1. Murree Brewery Co., Ltd. Quetta.	88,849	0 12 0	67·31	77,745	1,784	16	892
Coorg	*Nil.*	*Nil.*	0 12 0	1·13	..	No Brewery.		1,510
C. M. S., Bangalore	1. United Breweries Ltd., C. and S. Bangalore.	185,478	0 12 0	105·54	135,328	33,184	29,205	*Nil*
Total		1,507,351	..	299·45	946,968	460,810	38,423	446,283

N. B. The difference in figures given in columns 7 and 9 is due to—
(1) Exclusive or inclusive, as the case may be, of amounts in transit at the beginning and end of 1933—34 and
(2) Loss by wastage in transit.

STATEMENT III.

Statement showing number of country spirit shops (in distillery as well as out-still area) per 100,000 of population and the average area per shop during the years 1912-13, 1932-33 and 1933-34.

Province.	Total number of country spirit shops during			Average area per country spirit shop (in sq. miles) during			Number of country spirit shops per 100,000 during		
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.
Madras Presidency	8,976	5,557	5,566	15·86	25·65	25·61	21·68	11·88	11·90
Bombay Presidency Proper	2,114	1,652	2,116	35·95	46·74	36·49	13·10	9·18	11·80
Sind	249	109	249	188·70	421·38	184·46	7·09	2·81	6·41
Bengal Presidency	1,287	909	903	61·15	77·06	80·30	2·83	1·84	1·80
Burma	130	216	216	1,775·68	1,081·97	1,081·97	1·07	1·47	1·47
Bihar and Orissa	2,088	1,598	1,753	39·84	51·97	47·42	6·05	4·24	4·65
United Provinces	4,742	2,574	2,574	22·62	41·28	41·28	10·13	5·32	5·32
Punjab	795	682	674	125·50	130·60	132·10	4·06	2·90	2·90
Central Provinces and Berar	3,759	1,912	1,927	26·56	52·24	51·83	27·01	12·33	12·43
Assam	188	239	254	282·00	211·80	199·29	2·80	2·76	2·93
N.-W. F. Province	37	28	30	362·65	480·88	448·83	1·68	1·17	1·26
Delhi	15	10	10	(a)	57·80	57·80	4 00	1·57	1·57
Ajmer-Merwara	128	111	112	21·18	24·42	24·20	25·52	19·81	19·98
Coorg	33	27	27	47·94	59·00	59·00	18·86	16·53	16·53
Baluchistan	62	42	42	874·65	1,118·09	1,118·09	14·96	10·29	10·29
TOTAL	24,603	15,666	16,453	44·30	70·00	66·30	10·09	5·80	6·07

(a) Not available.

STATEMENT IV.

Statement showing number of country spirit and tari shops in 1912-13, 1932-33 and 1933-34, respectively, and percentage of increase (+) or decrease (—) compared with the years 1912-13 and 1932-33.

Province.	Number of country spirit shops during			Percentage of increase (+) or decrease (—) of the number of country spirit shops over that of the year.		Number of shops for retail sale of tari or other country fermented liquors during			Percentage of increase (+) or decrease (—) of the number of tari, etc., shops over the figures.	
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.
Madras Presidency	8,976	5,557	5,566	—37·99	+0·16	14,478	9,939	9,937	—31·35	+0·02
Bombay Presidency Proper.	2,114	1,652	2,116	+0·09	+28·08	1,042†	1,055	1,259	+20·82	+19·33
Sind	249	109	249	Stationary	128·44	4	9	9	+125·0	Stationary
Bengal Presidency	1,287	*916	*903	—29·83	—1·41	*2,260	*1,602	*1,592	—29·55	—·62
Burma	130	216	216	+66·15	..	1,098	820	828	—13·68	+2·20
Bihar and Orissa	2,088	1,598	1,753	—16·05	—9·70	8,012	6,594	7,815	—2·46	+18·52
United Provinces	4,742	2,574	2,574	—45·72	..	3,023	1,616	1,554	—48·59	—3·84
Punjab	795	682	674	—15·2	—1·1	25	25	25	·0	·0
Central Provinces and Berar.	3,759	',912	1,927	—48·73	+·78	493	332	325	—34·08	—2·11
Assam	188	239	254	+35·01	6·27	23	11	11	—52·17	..
N.-W. F. Province	37	28	30	—23·33	+6·66	..	..	..	..	..
Delhi	15	10	10	—33·3	*nil*	..	..	..	..	..
Ajmer-Merwara	128	111	112	—12·50	+0·90	..	..	..	..	..
Coorg	33	27	27	—18·18	*nil*	88	42	43	—51·14	+2·38
Baluchistan	62	42	42	—32·26	..	2	..	..	—100·0	Stationary
TOTAL	24,603	15,673	16,453	—33·1	+4·97	30,448	22,045	23,398	—23·15	+6·13

* The shop licenses figures exclude domestic consumption and hawking licenses for the sale of fresh (unfermented) tari.
† Includes "Tree Foot Booths" shops proper 1,042.

STATE

atement showing percentage of area under the out-still system and the percentage of

Province.	1912-13.					
	Population in thousands.	Population (in thousands) served by out-still.	Percentage of population served by out-still	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
	1911.	1912-13.	1912-13.	1911.	1912-13.	1912-13.
	1	2	3	4	5	6
Madras Presidency	41,405	1,410	3·41	142,330	18,847	13·24
Bombay Presidency Proper	16,137	22	14	75,933	805	1·06
Sind	3,513	...	...	46,986	...	...
Bengal Presidency	45,483	5,240	11·52	78,699	6,635	8·43
Burma	12,115	615	5·08	230,839	18,462	8·00
Bihar and Orissa	34,490	7,020	20·35	83,181	30,882	37·13
United Provinces	46,807	1,817	3·88	107,267	14,594	13·60
Punjab	19,579	...	...	99,779*	...	...
Central Provinces and Berar	13,916	1,442	10·36	99,823	20,580	22·62
Assam	6,714	644	9·59	53,015	14,157	26·70
North-West Frontier Province	2,197	...	...	2,197	...	...
Delhi	413	...	...	578	...	...
Ajmer-Merwara	...	...	...		...	...
Coorg	175	...	...	1,582	...	...
Baluchistan	414	70	16·90	54,228	10,315	19·02
TOTAL	243,358	18,280	7·50	1,076,437	135,277	12·41

* Including Delhi. ‡ Figures relate to calendar years except in the case of 1912-13.

MENT V.

population served by it during the years 1912-13, 1932-33 and 1933-34.

1932-33.						1933-34.					
Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still.	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.	Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still.	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
1931.	1932-33.	1932-33.	1931.	1932-33.	1932 33.	1931.	1933-34.	1933-34.	1931.	1933-34.	1933-34.
7	8	9	10	11	12	13	14	15	16	17	18
46,740	1,568	3·35	142,277	17,267	12·14	46,740	1,568	3·35	142,277	17,267	12·14
17,992	16	0·09	77,221	304	·39	17,992	20	0·11	77,221	309	0·4
3,887	...	...	45,930	...	...	3,887	...	...	45,930	...	...
49,901	...	...	72,514	...	...	49,901	...	...	72,514	...	...
14,667	51	0·39	233,707	1,409	0·60	14,667	51	0·39	233,707	1,409	0·60
37,678	3,387	8·99	83,054	16,273	19·59	37,678	7,449	19·77	83,054	31,449	37·86
48,409	1,873	3·87	106,248	10,773	10·14	48,409	1,873	3·87	106,248	10,773	10·14
23,581	...	...	89,263	...	...	23,581	...	...	89,263	...	...
15,505	189	1·22	99,876	4,243	4·25	15,505	189	1·22	99,876	4,243	4·25
8,671	607	7·01	50,622	11,478	22·6	8,671	607	7·01	50,622	11,478	22·6
2,251	...	...	13,419	...	...	2,251	...	...	13,419	...	...
635	...	...	578	...	...	635	...	...	578	...	...
...	...	...	...	...	...	...	...	...	...	...	...
163	...	...	1,593	...	...	163	...	..	1,593	...	...
408	...	...	46,960	...	...	408	...	...	46,960	...	...
270,488	7,691	2·40	1,070,262	61,747	5·80	270,488	11,757	4·4	1,070,262	76,928	7·7

STATEMENT VI.

Statement showing the average total taxation both from duty and vend fees on country spirit per proof gallon in distillery areas during 1912-13, 1932-33 and 1933-34.

Province.	Average taxation per proof gallon of country spirit during								
	1912-13.			1932-33.			1933-34.		
	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras Presidency	5 12 0	2 3 7	7 1 7	9 9 7	5 8 0	15 1 7	9 8 10	6 1 5	15 10 3
Bombay Presidency Proper	5 1 6	0 10 4	5 11 10	10 4 2	6 5 10	16 10 0	9 14 5	6 6 9	16 5 2
Sind	5 6 4	0 12 9	6 3 1	10 13 11	6 13 3	17 11 2	9 7 3	4 4 5	12 11 8
Bengal Presidency	4 7 10	2 15 0	7 6 10	13 8 0	1 11 0	15 3 0	12 15 6	2 1 5	15 0 11
Burma	4 4 0	1 14 8	6 2 8	7 7 3	3 12 6	11 3 9	6 11 6	3 5 2	10 0 8
Bihar and Orissa	1 15 8	1 4 10	3 4 6	4 11 6	3 8 8	8 4 2	3 13 3	2 11 0	6 8 3
United Provinces	3 3 4	1 10 10	4 14 2	7 11 6	4 15 10	12 11 4	7 14 9	5 11 2	13 9 11
Punjab	5 0 0	3 9 10	8 9 10	7 8 0	4 5 5	11 13 5	6 4 0	5 7 2	11 11 2
Central Provinces and Berar*	3 11 3	2 8 1	6 3 4	8 5 3	5 14 11	14 4 2	5 11 10	2 5 1	8 0 11
Assam	3 2 1	2 7 3	5 9 4	5 12 11	2 15 8	8 1 7	5 12 6	2 10 3	8 6 9
N.-W. F. Province	5 0 0	4 4 6	9 4 6	7 8 0	3 15 0	11 5 9¾	7 8 0	8 10 1	16 2 4¼
Delhi	5 0 0	3 5 3	8 15 3	7 8 0	10 2 10	17 10 10	6 4 0	12 9 5	18 13 5
Ajmer-Merwara	4 1 0	1 11 10	5 13 .8	7 6 1	1 3 0	8 9 1	7 4 8	1 3 8	8 8 4
Coorg	5 10 0	1 9 4	7 3 4	9 2 5	4 6 6	13 8 11	9 2 5	3 11 2	12 13 7
Baluchistan	5 1 4	1 9 1	6 10 5	10 8 0	2 15 4	13 7 4	7 6 9	1 14 11	9 5 8

* Figures relate to calendar years except in the case of 1912-13.

STATEMENT VII.

Statement showing revenue derived from country spirit (excluding revenue from country spirit issued to Indian States) during the years 1912-13, 1932-33 and 1933-34 and the percentage of increase (+) or decrease (—). [In lakhs of rupees.

Province.	Revenue from country spirit during									Percentage of increase (+) or decrease (—) of total revenue during 1933-34 compared with the figures of	
	1912-13.			1932-33.			1933-34.				
	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	1912-13.	1932-33.
Madras Presidency.	141·43	3·14	144·57	141·61	1·94	143·55	129·23	1·91	131·14	—9·29	—8·65
Bombay Presidency Proper.	145·75	0 08	145·83	170·70	0·45	171·15	168·90	0·44	169·34	+16·12	—1·06
Sind	14·13	..	14·13	14·17	..	14·17	13·84	..	13·84	—2·05	—2·33
Bengal Presidency	63·27	0·83	64·10	41·29	..	41·29	37·12	..	37·12	—41·33	—10·09
Burma	3·54	0·60	4·14	5·49	0·11	5·60	4·92	0·11	5 03	+21·58	—10·18
Bihar and Orissa	37·96	16·11	54·07	57·66	5·14	42·80	32·91	16·11	49·02	—8·79	+14·53
United Provinces	82 60	1·46	8 ·06	56·37	1·74	53·11	64·00	1·81	65·81	—21·71	+13·25
Punjab	41 61	..	41·61*	40·82	..	40·82	40·18	..	40·13	—3·4	—1·5
Central Provinces and Berar.‡	74·52	2·66	77·22	21·55	0·23	27·78	24·61	0·24	24·85	—67·83	+14·10
Assam	13·81	0·26	14·07	13·45	0·89	14·35	11·42	·69	12·11	—13·9	—15·6
N.-W. F. Province	2·23	..	2·23	3·30	..	3·30	3·86	..	3·86	+42·22	+14·51
Delhi	1·52	..	1·52	2 62	..	2·62	2·61	..	2·61	+71·8	—·4
Ajmer-Merwara	3·03	..	3·03	5·22	..	5·22	5·41	..	5·41	+78·56	+3·63
Coorg	1·91	..	1·91	1·76	..	1·76	1·54	..	1·54	—19·37	—12·5
Baluchistan	1·57	·08	1·65	3·26	..	3·26	3·05	..	3·05	+84·85	—6·44
TOTAL	623·95	25·19	654·14	579·27	10·50	589·77	543·60	21·31	564·91	—13·9	+4·2

*Including Delhi.

‡Figures relate to calendar years except in the case of 1912-13.

STATEMENT VIII.

Statement showing the average Excise revenue per head of population, the total Excise revenue, expenditure under Excise and the net receipts from Excise during the years 1912-13, 1932-33 and 1933-34.

Province.	Average Excise revenue per head of population (to the nearest pie). 1			Gross Excise revenue (in lakhs of rupees). 2			Total charges under Excise (in lakhs of rupees). 3			Net revenue from Excise. (in lakhs of rupees). 4		
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.
	Rs. a. p.	Rs. a. p.	Rs. a. p.									
Madras	0 12 9	0 14 7	0 14 9	330·29	427·62	429·60	18·13	34·24	33·83	312·16	393·39	395·77
Bombay Presidency Proper	1 2 0	1 9 9	1 10 11	188·65	323·32	‖335·76	10·27	45·50	‖47·97	178·38	277·82	287·79
Sind	0 10 6	0 12 10	0 12 6	23·19	31·15	30·31	0·40	2·61	1·89	22·79	27·51	26·29
Bengal Presidency	0 4 10	0 4 6	0 4 3	137·59	140·59	134·63	6·01	19·54	20·00	131·58	121·05	114·63
Burma	0 13 3	0 10 5	0 9 9	85·21	84·54	80·14	14·94	18·96	19·43	70·27	65·58	60·71
Bihar and Orissa	0 4 10	0 5 2	0 5 3	104·01	121·81	123·87	5·36	14·93	15·15	98·65	106·88	108·72
United Provinces	0 4 4	0 4 1	0 4 4	126·17	124·28	133·39	4·32	12·71	13·97	121·85	111·57	179·42
Punjab	0 5 2	0 6 5	0 6 5	(*a*) 65·73	(*b*)102·17	(*c*)102·7	2·13	19·23	17·26	63·60	82·14	84·55
Central Provinces and Berar	0 12 2	0 6 1	0 5 9	111·20	57·44*	57·70	8·37	8·62*	10·12	102·83	†48·77	47·53†
Assam	0 11 9	0 7 5	0 6 5	48·52	40·43	35·12	1·15	6·05	5·15	47·37	33·84	28·96
N.-W. F. Province	0 3 8	0 5 9	0 5 5	4·04	8·77	8·32	0·14	0·98	1·03	3·90	7·78	7·28
Delhi	0 12 2	1 0 4	1 0 6	3·15	‡6·48	6·58	(*d*) 0·60	0·38	0·40	3·08	6·48	6·18
Ajmer-Merwara	0 11 3	1 2 0	1 2 11	3·52	6·31	6·65	·18	0·25	0·23	3·34	6·06	6·42
Coorg	1 6 7	1 9 11	1 8 4	2·47	2·65	2·48	0·08	0·09	0·09	2·39	2·56	2·38
Baluchistan	0 10 9	1 6 5	1 5 5	2·79	5·74	5·49	0·13	0·39	0·37	2·66	5·35	5·12
TOTAL	0 8 1	0 8 6	0 8 7	1,236·53	1,441·86	1,492·74	72·21	184·23	186·89	₹,164·85	1,296.78	1,353·75

(*a*) Including Delhi.
(*b*) Includes :—
6.97 lakhs assignment of Government of India.
0.28 lakh credited by other Administration.

(*c*) Includes :—
6·97 lakhs assigment of the Government of India.
0·38 lakhs credited by other Administrations.
(*d*) Does not include assignments & confiscations.

* Inclusive of cost price of opium and hemp drug.
† Excluding refunds.
‡ Does not include still head duty from the Punjab and U. P. by book transfer.

‖ Includes gross receipts and expenditure at the Nasik Distillery.

STATEMENT IX.

Statement showing the number of persons convicted for Excise and Opium offences during the years 1912-13, 1932-33 and 1933-34.

Province.	1912-13.		1932-33.		1933-34.	
	Total convictions.	Convictions per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.
Madras Presidency	11,813 cases	†	6,903 cases	14·75	7,407	15·83
Bombay Presidency Proper	3,206 cases	†	5,677	†	5,616 cases	‡
Sind	119	3·39	470	12·09	441	11·35
Bengal Presidency	3,016	6·63	10,448	20·93	12,999	26·04
Burma	8,866	73·18	10,022‡	‡68·33	10,010	68·25
Bihar and Orissa	1,580	4·58	5,692	15·10	4,103	10·88
United Provinces	2,010	4·29	4,642	9·59	4,061	8·39
Punjab	570	2·91	1,631	6·9	1,503	6·4
Central Provinces and Berar	768	5·52	5,444*	35·11	*5,168	33·33
Assam	349	5·20	1,730	19·90	†	†
N.-W. F. Province	58	2·64	224	9·36	174	7·21
Delhi	45	10·88	33	5·1	91	14·8
Ajmer Merwara	77	15·36	33	5·88	29	5·17
Coorg	63	36·09	35	21·43	35	21·43
Baluchistan	13 (Cases of smuggling and 65 convictions for drunkenness.)	†	31	7·59	44	10·78

* Figures for calendar years.
†Information not available.
‡ Revised figures.

STATEMENT X.

Statement showing the number of convictions for offences relating to Country Spirit for the years 1912-13, 1932-33 and 1933-34.

Province.	1912-13.		1932-33.		1933-34.	
	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.
Madras Presidency	979‖	..	4,524	9·67	5,239	11·2
Bombay Presidency Proper	885	†	†	†	†	†
Sind	12	·34	200	5·15	200	5·15
Bengal Presidency	454	1·00	3,780	7·5	5,245	10·51
Burma	1,633	‡13·48	2,886	19·68	2,928	19·96
Bihar and Orissa	798	2·31	3,564	9·45	2,242	5·95
United Provinces	¶(*a*)749	1·59	(*a*)3,706¶	7·66	(*a*)3,016	6·23
Punjab	264	1·35	1,342	5·84	1,291	5·5
Central Provinces and Berar	†	†	†	†	†	†
Assam	112	1·67	654	7·6	622	7·1
N.-W. F. Province		†	23	0·96	19	·78
Delhi	1	0·24	32	5·0	42	6·6
Ajmer-Merwara	..	..	20	3·56	18	3·21
Coorg	26	15·85	35	21·43	35	21·43
Baluchistan	1 (Case of smuggling).	†	26	6·37	26	6·37

† Information not available.
‡ As per 1932 Census.
(*a*) Includes figures for fermented liquor also. Separate figures for country spirit not available.
¶ Offences.
‖Cases of I. D. possession and sale of I. D. spirits reported.

STATEMENT XI.

Statement showing the total gross revenue of the Provinces, total revenue from Excise (excluding compensation and refunds), revenue from liquors and the percentages of revenue under Excise as well as Liquors to the total gross revenue during the years 1912-13, 1932-33 and 1933-34.

Province.	Total gross revenue. (In lakhs of rupees).			Excise revenue excluding compensation and refunds. (In lakhs of rupees).			Revenue derived from liquors. (In lakhs of rupees).			Percentage of the total gross revenue borne by the					
										Excise revenue in			Revenue from liquors in		
	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.	1912-13.	1932-33.	1933-34.
Madras Presidency	8,08·40	‖ 17,00·1	‖ 16,15·2	3,31·5	426·01	4,28·01	3,06·2*	374·8	3,78·1	41·0	25·1	26·5	37·9	22·0	23·4
Bombay Presidency	7,95·80	15,25·09	14,66·69	2,09·1	361·1	3,74·5	1,84·2	269·19	2,27·18	26·3	23·67	25·64	23·1	17·65	18·97
Sind	23·2	31·15	30·31	23·2	12·55	11·83	16·2	18·60	18·48	99·3	40·29	39·03	59·8	59·71	60·97
Bengal Presidency	7,16·5	...	...	1,37·50	139·3	1,32·9	82·8	70·7	69·04	19·23	...	...	11·6	...	...
Burma	6,08·3	10,28·6	10,43·3	81·1	84·5	80·1	42·9	48	44·0	13·3	8·2	7·7	7·1	4·7	4·2
Bihar and Orissa	3,35·2	505·8	4,96·5	1,03·8	119·87	1,23·65	68·4	69·5	74·7	31·0	23·7	24·9	20·4	13·7	15·0
United Provinces.	7,07·9	11,45·8	11,22·8	1,25·8	123·1	1,32·1	90·0	72·7	81·6	17·66	10·7	11·8	12·7	6·3	7·3
Punjab	5,09·5	10,23·91	10,38·02	69·8	82·14	84·55	46·0	51·23	50·62	6	9·2	8·1	3·9	5·0	4·9
Central Provinces and Berar	3,25·4	454·48	4,34·3	1,06·0	57·5	57·1	79·1	28·2	29·3	32·5	12·6	13·1	24·3	6·2	6·7
Assam	1,78·1	238·2	2,11·4	48·4	39·89	34·09	14·3	14·35	12·11	27·2	16·8	16·2	8·0	6·0	5·7
N.-W. F. Province	4·04	8·77	8·32	4·0	8·77	8·32	1·5	5·42	6·35	7·8	34·03	21·24	2·9	61·86	76·32
Delhi	‡2·15	63·58	70·15	3·14	9·23	(a)9·06	1·74	5·95	5·56	78·71	14·5	12·9	48·69	9·3	7·8
Ajmer-Merwara	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Coorg	†	13·12	12·05	†	2·65	2·48	†	1·81	1·14	†	20·19	20·64	†	13·79	9·49
Baluchistan	16·56	20·10	20·70	2·79	5·74	5·49	2·27	4·50	4·28	16·85	28·56	26·52	13·71	22·34	20·68
TOTAL	50,31·05	77,58·70	75,69·74	12,46·13	14,72·36	14,84·18	9,35·61	10,34·95	10,02·46	24·46	254·35	317·49	18·36	248·55	261·43

* These figures include revenue from licence fees for hemp drugs but not duty.
† Figures not available.
‡ Revised figure.
‖ Represents preliminary figures furnished by the A. G., Madras.
(a) Includes duty on liquor imported into Delhi.

GIPD—806 CBR—13-8-36—105.

CBR. 14-35.
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GOVERNMENT OF INDIA

FINANCE DEPARTMENT (CENTRAL REVENUES)

MEMORANDUM

ON

EXCISE (INTOXICATING LIQUORS) ADMINISTRATION IN INDIA

FOR

1934-35.

20TH EDITION

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Price Rs. 11 or 18s.

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CHAPTER I.

MADRAS PRESIDENCY.

1. *Excise Revenue.*—The total Excise Revenue for 1934-35 amounted to Rs. 423·69 lakhs* distributed under the following heads:—

Heads.	Receipts in lakhs of Rs.	Percentage of total Excise Revenue.
1. Country spirit	123·28	29·1
2. Toddy (*Tari*)	228·32	53·9
3. Duty on Indian made foreign spirits excised at Rs. 21-14-0 per proof gallon . .	5·75	1·4
4. Country beer	3·55	0·8
5. Vend fees on import of Liquor, etc. . .	3·71	0·9
6. Opium and its preparations . . .	34·10	8·0
7. Hemp drugs	20·39	4·8
8. Miscellaneous	4·59	1·1
Total . .	423·69	100·0

During the year 1933-34, the total Excise revenue amounted to Rs. 429·60 lakhs and the revenue realised from country spirit was Rs. 131·14 lakhs against Rs. 143·55 lakhs in 1932-33. The corresponding figures for the year 1912-13 were Rs. 330·29 lakhs (total) and 144·57 lakhs (country spirit) respectively (*cf.*, Statements VII and VIII). The net Revenue from Excise during the year 1934-35, showed an increase of about 25 per cent. on the corresponding figure of 1912-13, and a decrease of about 2 per cent. on that of the preceding year.

This memorandum is concerned with the first 5 items only.

2. *Law regulating liquor traffic.*—The liquor traffic was regulated under the provisions of the Madras Abkari Act I of 1886 as amended by Madras Acts, I of 1905, I of 1913, I of 1915, and XVIII of 1929, and the Dangerous Drugs Act, 1930.

Country Spirit.

3. *Meaning of the term 'Country Spirit'.*—In the greater part of Northern India Country Spirit was till lately for the most part spirit distilled after the old Indian method as distinguished from "Indo-European Spirit" (rum, etc.), produced in distilleries worked after the English method.

In Madras no such distinction existed. In some outlying parts which are under the outstill system, arrack (the name applied in Madras to distilled spirits consumed by the Indian population),

* Includes revenue derived from excisable articles exported to Indian States.

continued to be manufactured according to the old primitive method; but over almost the whole of the Presidency, excluding only the parts of the Agency tracts, its manufacture was carried on in regular distilleries provided with modern appliances and worked on modern methods. What in Northern India would be called Indo-European spirits, *i.e.*, local brands of "rum", "whisky", etc., is in Madras manufactured in the same distilleries as arrack, and is in fact arrack coloured or flavoured before issue, and excised at a special rate of Rs. 21-14-0 per proof gallon. "Country Spirit" in Madras means spirit manufactured in the country on which duty at the tariff rate is not leviable, but does not include Indian made foreign spirits.

4. *Proportion of country spirit revenue realised under the distillery system.*—About 98·5 per cent. of the revenue derived from country spirit (arrack) in Madras was realised under the distillery, or, as it is called "Excise" system—Rs. 121·39 lakhs out of a total of Rs. 123·28 lakhs.

For corresponding figures for 1912-13 and 1933-34 see Statement VII.

DISTILLERY SYSTEM.

5. *Replacement of the private distillery system by the contract distillery system.*—When the first edition of this memorandum was published in the year 1897, the leading distillery system of Madras was the *private distillery supply system*, which was one of free competition among the licensed distilleries in respect of the production of the spirit. The contract distillery system which gave a single distillery a sole right of production and distribution in a particular area, was only in force in a few districts and was regarded as a preliminary step towards the private distillery system. In the course of years, however, the greater part of the production trade in the private distillery areas fell into the hands of two great distilleries and those after a period of fierce competition were amalgamated. The result was a practical monopoly in the hands of a single firm throughout the greater part of the presidency, and to check the evil consequences which would follow; the private distillery system was in April 1901, replaced by the "contract" system in all the districts. The contract distillery system thus became the sole distillery system of the province and the smaller distilleries which still survived remained as supply centres for particular districts. The transition from the private to the contract system was rendered simple by the fact that the distilleries working under the two systems, when both existed, were of like character—in fact the same distillery might have worked as private distillery for one part of the Presidency and as a "contract" distillery for another—and that the retail vend arrangements under both were the same.

6. *Description of the contract distillery system.*—Under the contract distillery system the exclusive privilege of manufacture of country spirit throughout a district or other specified area is disposed of by tender. The successful tenderer has the monopoly of supply to retail vendors within the area of his contract. The still head duty to be paid to Government on each gallon issued, is fixed and tenderers are required to state at what rate they are prepared to supply spirits of certain specified strengths* at a central source of supply (distillery or warehouse or depot) in each contract area.

* These are 35° and 60° U.P.

7. *The area in which it is in force.*—This system was in force throughout the Presidency except in part of the Agency tracts (see paragraph 21). The arrack supplied was distilled from jaggery or molasses.

8. *Character and supervision of distilleries.*—The distillery in Malabar belongs to Government.

In 1932-33, it was leased for a period of 3 years to contractors for the manufacture and supply of "Malabar" arrack to foreign liquor dealers. The other distilleries, which work under the contract distillery system, were all privately owned. Each licensed distiller had to equip and maintain his own distillery on plans approved by the Commissioner of Excise and was bound to make any alteration which that authority or the Assistant Commissioner of Excise for distilleries considered necessary.

9. The distilleries were worked after English methods, and each one had attached to it one or more officers of the Excise Department, whose duty it was to check in the interest of the revenue, every detail in the process of manufacture, and to pass the spirit out, in bond or on payment of duty, as the case may be, for storage or consumption. Each distillery was in the charge of an Assistant Inspector on Rs. 125—175 per mensem. and the Assistant Inspectors in charge of the more important distilleries were assisted by one or two Sub-Inspectors on Rs. 55—80 per mensem. The work of the local distillery officers was supervised by 2 Distillery Inspectors. An Assistant Commissioner for distilleries was employed for the general supervision of all the distilleries and for the instruction of the officers of the department in everything appertaining to distillery work.

10. Distilleries and Warehousekeepers were bound to provide houses, the rent of which was not to exceed a fixed sum, for the officers who supervised their operations, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

11. *Warehouses.*—To facilitate the supply of liquor to vendors, contract distillers were required, when necessary, to open "Warehouses" within their contract* areas. These warehouses were supervised by Sub-Inspectors without extra cost to the warehouse licensee. Spirits were received from a distillery or another warehouse in bond, and could be blended or reduced before issue, under the control of the supervising officer, in bond or on payment of the prescribed rate of duty, as the case may be. Denaturation and compounding of spirits were not allowed at warehouses.

12. *Distillers forbidden to engage in retail trade.*—Distillers were forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicating liquors in their contract areas.

13. *Number of Distilleries and Warehouses.*—In each of the years 1933-34 and 1934-35, there were 10 distilleries and 14 warehouses for the supply of the contract distillery tracts. In the year 1912-13, the corresponding figures were 10 and 16 respectively.

14. *Rate of still head duty.*—In 1934-35, the rates of still head duty varied from 15 annas per proof gallon in Palkonda Agency to Rs. 10-10-0 in certain districts. In 1912-13 these rates varied from 10 annas per

*The Distillery itself may be outside the contract area, *e.g.*, the proprietor of the Renigunta Distillery, Chittoor District, does not hold the contract for the Chittoor district.

proof gallon (in the Gunupur and Palkonda agencies of the Vizagapatam district) to Rs. 8-2-0 (in Madras and in 11 adjoining villages of the Saidapet taluk in the Chingleput district).

15. *Wholesale vend licences.*—The contract distillers were primarily responsible for the opening of such wholesale depots as was considered necessary for the supply of shops within their contract areas; but with the consent of the contractors private parties were allowed on payment of an annual fee of Rs. 15 and on depositing such amount as security as the Collector required, to open such depots for the sale of liquor obtained from the contract, distillery or a warehouse in connection therewith, Issues from depots were made only to other wholesale depot keepers and licensed indenpendent arrack shopkeepers in the same contract area in quantities of not less than half a gallon at a time to lincensed independent arrack shopkeepers and not less than 9 gallons at a time to other wholesale depot keepers. This class of licensees formed a necessary link between the distiller and the petty shopkeeper who could not afford to purchase more than a few gallons at a time or to go long distances to obtain it. The spirits kept in wholesale depots were duty paid and consignments were verified on arrival by a Government officer if the duty in the area in which the warehouse or distillery lay was higher than in the area in which the depot was situated, or if they had passed through foreign territory; in other cases the verification was made by the depot-keepers.

371 wholesale depots were worked under the above conditions in 1934-35. Of these 362 were held by the supply contractors free of fee and 9 by private persons with the consent of the supply contractors on payment of the fee of Rs. 15 per annum as referred to above. In 1933-34, 372 wholesale depots were worked under the above conditions. In 1912-13 there were 444 wholesale depots; of these 332 were held by the supply contractors free of fee, and 112 by private persons with the consent of the supply contractors on payment of a fee of Rs. 15 per annum. Distillers, warehousekeepers and whole depot keepers were bound to sell spirits to all persons licensed to purchase from them on payment of the value in legal tender, and the prices to be charged by them were fixed.

16. *Retail vend.*—The right of retail vend of country spirit was sold by auction by separate shops throughout the contract distillery supply area. Shopkeepers obtained all their liquor from the contract distillers, either direct or through the wholesale vendors referred to above. Collectors with the previous permission of the Commissioner could fix maximum prices to be charged for spirits by the retail shopkeepers. Minimum prices below which spirits could not be sold were also fixed by the Commissioner. Actually, maximum retail prices were not imposed anywhere except in certain taluks of the Vizagapatam Agency, while minimum prices had been imposed only in the low duty tracts of the South Arcot district.

17. *Number of country spirit shops.*—In the year 1934-35 the number of shops for the retail sale of country spirit was 5,603 against 5,566 in the preceding year, an increase of 0·66 per cent—and 8,976 in 1912-13—a decrease of about 37·58 per cent.—see statement IV. The number of country spirit shops per 100,000 of the population in the years of 1912-13, 1933-34 and 1934-35 was 21·68, 11·90 and 11·98 respectively. The

average area served by a country spirit shop was 25·44 square miles in 1934-35 against 15·86 square miles in 1912-13 and 25·61 square miles in 1933-34 (*cf.* Statement III).

18. *Sale strength.*—In order to prevent the watering of liquor by shopkeepers and to facilitate the detection of cases of smuggling and illicit distillation retail vendors in all distillery areas were bound, as a condition of their licences, to sell their liquor at certain specified strengths, 35° U. P. generally and 60°U. P. in certain special tracts (*vide* footnote to para. 6). It was one of the duties of the Excise officers to ascertain by hydrometer tests that these strengths were not departed from, a due margin being allowed for reduction in strength due to natural causes. The great bulk of the liquor sold was at 35° under proof. In 1912-13 the specified strengths at which the retail vendors were bound to sell their liquor were chiefly 30° and 60° under proof.

In response to a representation from a section of the public in South Kanara district a system of sale of arrack in sealed bottles has been introduced in Mangalore Town from 1st April 1933. The arrack was issued to shops in bottles of 4 dram capacity and placed on sale alongside arrack sold in retail. The contract suppliers were allowed to charge 3½ annas per bottle in addition to the issue price to cover cost of labour, bottling etc. The system has not made itself popular on account of the high cost of bottling. It does however meet the demands of a certain class of consumers.

19. *Average taxation per gallon of distillery spirit and consumption.*—The receipts from country spirit in the distillery areas amounted in 1934-35 to Rs. 121·39 lakhs, of which Rs. 75·56 lakhs were realised from duty and Rs. 45·83 lakhs from vend fee, etc. In 1912-13 and 1933-34 the revenue derived from country spirit in distillery areas amounted to Rs. 141·43 lakhs and Rs. 129·23 lakhs respectively—for further details see Statement VII. The consumption of country spirit in 1934-35 was 811,456 proof gallons or 1·73 proof gallons per 100 of the population giving an average taxation of Rs. 14-15-6 per proof gallon of which a sum of Rs. 9-7-4 was realised in the form of still head duty and Rs. 5-8-2 in the form of vend fees. In 1933-34 the consumption of country spirit amounted to 827,706 proof gallons or 1·77 proof gallons per 100 of the population against 1,773,673 proof gallons or 4·28 proof gallons per 100 of the population in 1912-13. The total average taxation per proof gallon of country spirit in 1933-34 was Rs. 15-10-3 (Rs. 9-8-10 from duty) against Rs. 7-15-7 (Rs. 5-12-0 from duty) in 1912-13.

20. *Ordinary renting system.*—The Excise Administration of the British village of the Anjengo in Travancore, which comprises an area of about one square mile and a population of 6,766 is leased to the State authorities for an annual gross payment of Rs. 7,900.

21. *System in Agency tracts.*—In the Agency tracts, the contract distillery system was in force in 2,602 square miles out of a total of 19,869 square miles. The rest of the Agency was served partly by central distilleries and partly by out-stills. Details are given below:

(*i*) In 1934-35 the contract distillery system was in force in the Parlakimedi maliahs of the Ganjam Agency, the Palkonda Taluk and Kasipuram Muttah with Kottur of the Ananthagiri Agency and portions of Gudem Agency in the Vizagapatam

District and the Polavaram, Chodavaram and Rellavaram taluks of the East Godavari Agency. The contract suppliers of the Ganjam District supplied liquor to the Parlakimedi shops, the Vizagapatam district suppliers to the shops of Palkonda, Gudem and Kasipuram Muttah with Kottur and the suppliers of the East Godavari district to the shops in the Polvaram, Chodavaram and Yellavaram taluks. The contract distillery area in Parlakimedi maliahs was included in the Chicacole Excise circle, the Palkonda taluk in the Bobbili sub-circle and Kasipuram Mutta with Kottur in the Vizianagaram Circle. The East Godavari Agency area was under the Agency Excise Inspector. The spirit issued to the Agency areas except Parlakimedi maliahs and portions of Gudem Agency was of weaker strength (60° under proof) than that issued to the adjoining plains and the duty was low. To differentiate the liquor intended for the Agency from that intended for the ordinary tracts, the Agency liquor was coloured.

(*ii*) The Central Distillery system was in force in the whole of the Nugur and Bhadrachalam taluks of the East Godavari Agency and in the Gunupur Taluk and the Jeypore circle of the Vizagapatam Agency. This was extended to the Deshya Kondh area of the Bissemcuttack taluk and to a part of Padwa taluk of the Vizagapatam Agency from 1st April 1931. As the area of the Jeypore Circle was found to be too extensive a new circle with Headquarters at Parvatipur was constituted with effect from 1st May 1931, comprising the Gunupur and Rayaghada taluks (except Kalyana-Singapur Tana), Narayanapatnam Agency of the Parvatipur taluk and the Deshya Kondh area of the Bissemcuttack taluk, and the post of the Assistant Inspector, Gunupur, was abolished. Under this system four central distilleries were opened, one in Bhadrachalam, one in Gunupur taluk, one in Jeypore taluk and one in Rayaghada Taluk. The distillers manufactured arrack from the *mohwa* flower and the privilege of manufacture in these distilleries was disposed of by tender. The successful tenderer paid a licence fee of Rs. 50 for each distillery and was bound to supply arrack at the prescribed strength of 60° under proof to the shops dependent on his distillery. A petty officer with one peon was previously in charge of the Central Distillery in Bhadrachalam taluk. With a view to effect improvements in the methods of manufacture and to exercise efficient supervision, the Central Distillery at Bhadrachalam was placed in charge of an Assistant Inspector. The Distillery at Jeypore was in charge of an Assistant Inspector; those at Gunupur and Rayaghada which were in charge of Sub-Inspectors were placed under the control of Assistant Inspectors in the interests of efficiency. The duty per gallon of 60° U. P. liquor was 10 annas in Bhadrachalam and Nugur and 4 annas in the Gunupur and other taluks of the Vizagapatam Agency under this system in 1934-35. The liquor manufactured at the Central distilleries was coloured to prevent malpractices.

(*iii*) The outstill system, under which the privilege of manufacture and vend was sold by shops was in force in the Malkanagiri Taluk and portions of Padwa, Bissemcuttack and Rayaghada taluks of the Vizagapatam Agency. There were no shops under the outstill system in Ganjam Agency in the year 1934-35. Under this system, the spirit was manufactured generally from *mohwa* but no particular strength was insisted on and no accounts were kept. There was no limit placed on the selling price of liquor.

(*iv*) *Free distillation.*—In the Ganjam Agency tracts no revenue was derived from arrack. The Kondhs in the Ganjam Agency were allowed the privilege of manufacture of arrack without payment of duty. The Oriyas in the area were prohibited from either manufacturing or selling liquor. To prevent the Kondhs from abusing the right of free distillation and to prevent the Oriyas from manufacturing arrack, an Excise officer of the rank of Assistant Inspector and a staff of Sub-Inspectors and peons are at work in the G. Udayagiri Taluk. In six muttahs of this taluk free distillation by Kondhs was restricted by insisting on permits being taken from the Revenue or Excise authorities before manufacture of arrack was allowed. In the portions of the Gunupur and Bissemcuttack taluks bordering on the Parlakimedi and Kuttai Maliahs, the Kondhs and Savaras enjoyed the privilege of free distillation for *bona fide* home consumption. In the Savara hills bordering on the Central Distillery area of the Gunupur Taluk it was decided to restrict the privilege to special occasions and under permit for each occasion.

22. The total receipts from country spirit under the non-distillery system amounted in 1934-35 to Rs. 1·89 lakhs against Rs. 3·14 lakhs in 1912-13 and Rs. 1·91 lakhs in 1933-34.

Toddy.

23. Toddy (known in North of India as *tari*) is the sap of the palm tree.

24. *Unfermented or sweet toddy.*—Unfermented toddy was not subject to any taxation in Madras but had to be drawn in pots freshly coated internally with lime (to prevent fermentation). In East Godavari, West Godavari, parts of Guntur and certain Agency tracts, licences (for which no fee was charged) were required for the tapping of trees for this 'sweet toddy'.

25. *Tax on fermented toddy.*—Fermented toddy was taxed by means of fees payable for the right of retail vend, and by means of the tree-tax system under which a fixed fee was charged for every tree from which it was intended to draw fermented toddy.

26. *Tapping of trees for fermented toddy.*—Where the tree-tax system was in force, no palm trees could be tapped for the purpose of producing fermented toddy without a licence, upon issue of which the tree was marked to indicate that a licence had been obtained for it. The tapping of unmarked trees for the purpose of producing fermented toddy

was an offence. Licences for the tapping of trees for fermented toddy were issued on payment of tree-tax, on the application of licensed toddy shopkeepers; of the contractors for the manufacture and supply of "Malabar arrack"; of toddy drawers in South Kanara*; of tree-owners generally up to 5 trees; of any member of a hill tribe whether a tree-owner or not, residing in certain villages of Vizagapatam district up to 5 trees for each household; of sweet toddy tappers in East Godavari, West Godavari, parts of Guntur and of the Agency tracts up to a limit of 3 trees; and of licensed toddy shopkeepers or renters in Mysore, Civil and Military Station, Bangalore, Pudukottai, Banganapalli and Cochin who desire to obtain toddy from trees growing in British territory.

27. *Rates of tree-tax on account, sago, palmyra, date and dadasal.*— Tapping licences were issued half-yearly for coconut and sago palms and yearly for palmyra, date and dadasal (Arenga Wightii) trees. The rates of tree-tax in 1934-35, were as below:—

Palms.	The districts of Ganjam, Vizagapatam (except certain villages), South Kanara and Malabar and the Gudalen Taluk of the Nilgiris. District.	Vizagapatam district (certain villages) of Srungavarapukotta and Salem Taluk, (for domestic consumption only).	Vizagapatam district (certain Agency villages).	Agency tracts of East Godavari (areas under the tree-tax system).	All other districts.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Coconut palms for each half year	4 8 0	0 12 0	3 12 0	3 0 0	5 10 0
Sago palms for each half year	9 0 0	1 8 0	7 8 0	6 0 0	11 4 0
Palmyra or date palms for the whole year . .	3 0 0	0 8 0	2 8 0	2 0 0	3 12 0
Dadasal for the whole year .	1 0 0	..	..	..	..

*Provided that applications for licences are accompanied by applications for permits for the transport of toddy to some particular shop and that the latter applications are countersigned or acknowledged to be correct by the shopkeepers to whose shops the toddy is to be taken.

The rates of tree tax in 1912-13 were as follows:—

Palms.	The districts of Ganjam, Vizagapatam, South Kanara and Malabar.	The districts of Godavari, Kistna, Guntur, Nellore, Cuddapah, Anantapur, Bellary and Kurnool (including Banganapalli).	The districts of Chingleput (except Saidapet taluk), North Arcot, Chittoor and S. Arcot.	The rest of the Presidency.
	Rs. A. P.	Rs. A. P.	Rs. A. P	Rs. A. P.
Coconut	2 4 0	3 0 0	3 6 0	3 12 0
Sago	4 8 0	6 0 0	6 12 0	7 8 0
Palmyra or date* . .	1 8 0	2 0 0	2 4 0	2 8 0
Dadasal (Arenga Wightii) .	0 12 0	..	..	..

28. In the case of trees tapped for the supply of toddy shops, the tapping licence was required to cover not less than a specified minimum number of trees, the minimum varying for different districts or other areas.

29. *Vend licences.*—The privilege of retail vend in each shop was sold separately by auction. The number of licences issued for the retail sale of toddy was 9,929 against 14,478 and 9,940 in the years 1912-13 and 1933-34 respectively (Statement IV). There was on an average one shop for 14·36 square miles and 21 26 shops for every 100,000 of population; in 1912-13 there was one shop for 9·83 square miles and 34·96 shops for every 100,000 of population.

30. *Method of procuring trees for tapping.*—The shopkeepers and other persons to whom licences for tapping were granted made their own arrangements for procuring trees either from private owners or from the Government. The usufruct of palm trees on Government waste land was formerly disposed of by auction but in 1926-27 a fixed fee per tree was instituted in most districts. This fee was for the use of the trees and was distinct from the tree-tax.

31. *Extension of control over toddy in the Gudalur and Wynad taluks.*—The provisions of the Abkari Act relating to toddy had been suspended since 1886 in the Nilgiris district and in the Wynad taluk of the Malabar district on the grounds that toddy was not drunk in those areas and that there were few toddy-producing trees in them. The question of terminating the suspension came up for consideration during the year. It was noticed that there were over 800 tappable sago palms in the Gudalur taluk of the Nilgiris district alone of which so many as 200 were being tapped not only for domestic consumption but for sale to estate and other labourers. Several cases of possession of toddy by their labourers were brought to notice by planters. It was evident that the tapping of toddy-yielding trees was being conducted on a commercial scale. It was therefore decided that the time had come to extend control over the tapping of

*In South Kanara District alone.

toddy to the Gudalur taluk of the Nilgiris district and the neighbouring Wynad taluk of the Malabar district where conditions were similar to those in the Gudalur taluk. The suspension of all the provisions of the Abkari Act relating to toddy in the Gudalur and Wynad taluks conveyed in the Government Notification No. 78, dated 17th March 1886, was withdrawn by the Government Notification No. 263, dated 2nd October 1934, and the exemption of toddy from the provisions of the Act had been confined to the remaining areas of the Nilgiris district where there seemed to be neither toddy tapping nor many sago palms. The limit of private possession of toddy without a licence was fixed at one dram in the Gudalur and Wynad taluks and the tree tapping rules have been extended to them. No toddy shops were opened in those areas but tree-owners had been allowed on payment of the full tree-tax the concession of tapping one sago palm each for the drawing of fermented toddy for *bona-fide* domestic consumption but not for sale.

32. *Geographical extent of the tree-tax system.*—In 1934-35, the tree-tax system was in force throughout the Presidency, except portions of the Nilgiris district and the Attapady valley in Malabar and portions of the Agency tracts. Toddy was not drunk in the Attapady Valley and its manufacture was not controlled in the major portions of the agency tracts.

33. *Tree-tax system in the Agency tracts.*—During the year the tree tax system was in force in 39 villages of the Gudem taluk of the Vizagapatam Agency. In the East Godavari Agency it was in force in the whole of Polavaram taluk, in 138 villages of Yellavaram, 116 villages of Chodavaram, 36 villages of Bhadrachalam and 17 villages of Nugur taluks in the first half of the year. The Government Agent, East Godavari, reported that there were practically no date trees fit for tapping in the tree-tax areas of Chodavaram, Yellavaram and Bhadrachalam taluks and that there would be loss of revenue to the Government if the tree-tax system were not extended to more villages of those taluks where many date trees fit for tapping were available. The tree-tax system was accordingly extended to 5 more villages of Chodavaram taluk, 8 more villages of Bhadrachalam taluk and 9 more villages of Yellavaram taluk with effect from 1st October 1934.

In the 122 low country Agency villages of the Parlakimedi Maliahs the right of manufacture and vend of toddy was rented out.

34. *Tapping of trees in Indian States for British shops and* vice versa. —A considerable number of trees was tapped in the Presidency for shops in Mysore while some British shops derived their supply of toddy from Mysore. To regulate this traffic, arrangements were made with the Mysore Government imposing tree-tax on Mysore trees tapped for British shops and *vice versa*, the revenue in either case following the consumption. Where the rates of tree-tax on the two sides of the border were different the higher rate was levied. Similar arrangement existed between the Governments of C. & M. Station, Bangalore, and Madras. On toddy brought from Hyderabad a transport duty of 3 annas a gallon was levied at the Chowky on the frontier. But there has been a complete cessation of transport since 1st October 1932, apparently due to a new company having taken the Abkari contract of the Kopbal district of H. E. H. the Nizam's Dominions. This company has raised the price of toddy considerably with the result that the renters in British territory found it

uneconomical to purchase Hyderabad toddy. Toddy shopkeepers in the Pudukottai State were permitted to tap trees in the adjoining British villages on payment of tree-tax to the Madras Government at the rates prevailing in British territory. British shopkeepers were allowed to tap trees in the Pudukottai State on payment of tree-tax to that State at the higher of the rates prevailing on the two sides of the border. Similar arrangements existed between the Madras Government and the Cochin Darbar.

35. *Revenue.*—The total toddy revenue for 1934-35 was Rs. 228·32 lakhs of which Rs. 98·48 lakhs was in the shape of tree-tax and the balance from licences for the privilege of retail vend. In 1912-13 the total toddy revenue was Rs. 152·24 lakhs; in 1933-34 it was Rs. 223·47 lakhs.

LOCALLY PRODUCED "FOREIGN" SPIRIT.

36. *Manufacture and Supply.*—Indian made foreign spirits, *i.e.*, spirits manufactured or compounded in British India and made in colour and flavour to resemble gin, brandy, whisky or rum imported from foreign countries, were manufactured in country spirit distilleries in the same manner as arrack with the addition of colouring and flavouring matter. They could be issued at any strength not lower than 35° U. P. in the case of gin and 25° U. P. in the case of all other kinds of spirits except denatured spirits on payment of a special rate of duty at Rs. 21-14-0 per proof gallon. The only restrictions imposed on distillers in respect of spirits so excised were:—

(*a*) that they shall be issued only to persons licensed to sell foreign spirits or to private persons for domestic consumption, but not for sale; and

(*b*) that the spirit issued shall in colour and flavour resemble gin. brandy, whisky or rum.

37. In respect of the wholesale and retail sale of spirits of this description, they are subject to the same regulations and were sold in the same shops as imported foreign spirits. The bottles were required to be labelled "Spirits compounded in India."

38. Arrack manufactured at the Chowghat distillery in Malabar from cocoanut toddy drawn from trees which had paid tree tax was issued in bottles or other receptacles labelled "spirit manufactured in Malabar" to foreign liquor dealers throughout the presidency on payment of duty at the rate of Rs. 21-14-0 per proof gallon. A rebate of tree tax was granted to the distillers calculated at a fixed rate on each gallon outturned.

39. *Issues and Duty Receipts.*—The quantity of Indian made foreign spirits issued amounted to 18,925 proof gallons against 21,316 proof gallons in 1933-34 and 13,069 proof gallons in 1912-13. The duty realised thereon was Rs. 4·14 lakhs in 1934-35 against 4·66 lakhs in 1933-34 and 1·22 lakhs in 1912-13.

40. *Denatured spirit and Methyl alcohol.*—Denatured spirit was manufactured at the Nellikuppam and Samalkot Distilleries. One lakh seventeen thousand and thirteen gallons were issued in 1934-35 from these distilleries against 17,207 gallons in 1912-13 and 82,500 gallons in 1933-34. The duty on such spirits locally manufactured was removed from the 19th January 1917. Before issue, the spirit was required to be rendered unfit

for human consumption by the addition of light caoutchoucine and pyridine unless for special reasons the use of other denaturants was permitted. Imported denatured spirit was also subject to the same restriction. Free licences continued to be granted for the possession and sale of denatured spirit. The system of levy of licence fees based on actual consumption introduced from 1st April 1932 continued. The levy of a licence fee at Re. 0-8-0 per gallon of methyl alcohol consumed ordered from 1st April 1933 continued during the year. Twenty-seven methyl alcohol licences were issued in 1934-35 and the consumption under them was 1,368 gallons against 880 gallons in 1933-34. A sum of Rs. 50,196 was realised as licence fees on denatured spirit and methyl alcohol in 1934-35 against Rs. 43,191 in 1933-34. In 1934-35 eight hundred and fifty-seven licences were issued against 789 in 1933-34 and 192 in 1912-13 for the retail sale of denatured spirit and 146 licences against 140 in 1933-34 and 44 in 1912-13 for possession of denatured spirit by varnish makers, chemists and others.

Country Beer, etc.

41. *Manufacture and Duty.*—Licences for the establishment of breweries were granted by the Assistant Commissioner for Distilleries under the orders of the Commissioner of Excise to approved applicants on payment of an annual licence fee of Rs. 15. The establishment of breweries which was previously restricted to hill stations was in 1890-91 permitted elsewhere. During the year there were two breweries in the Presidency, one in the Chingleput district and another in the Nilgiris. These breweries were under the supervision of Government officers. The brewers were required to maintain accounts in such forms as the Commissioner of Excise might from time to time prescribe. Duty at the rate of 12 annas per imperial gallon was levied once a quarter on the total quantity of beer brewed during the quarter less 5 per cent. allowed for wastage; but the rate was reduced to ten annas, per imperial gallon with effect from 1st April 1935.

In 1912-13 the duty levied per imperial gallon was three annas, less 5 per cent. allowed for wastage. From time to time samples of worts were taken and analysed.

42. "Indian beer" has been defined as beer brewed in India from jaggery or crude cane sugar which contains at least two bushels of malt and two pounds of hops per hogshead and which is brewed at a higher original gravity than 1058° on a standard saccharometer. For the sale of such beer at the breweries a maximum price of Rs. 40 per hogshead excluding the excise duty has been fixed and brewers are bound to sell to licensed dealers on payment of the value in legal tender.

43. *Issues.*—The total quantity of beer issued from the two breweries amounted to 2,17,859 gallons against 2,17,755 gallons in 1933-34 and 5,42,813 gallons in 1912-13; in addition, 15,811 gallons of beer were imported from Bangalore during 1934-35 against 21,380 gallons in 1933-34 and 1,70,675 gallons in 1912-13. A statement showing the quantity of beer manufactured in 1934-35 in the breweries is appended (Statement IIA).

44. *Vend.*—Beer was ordinarily sold in shops for the sale of 'foreign liquor'; but separate shops for the sale of beer brewed in India exist in the Nilgiris and in big towns in some of the other districts. In 1934-35 there were six such shops in the Nilgiris and 21 in other districts. In

1933-34 and 1912-13 also there were 27 shops in the Presidency for the sale of beer brewed in India. The right to retail beer in these shops was sold annually by auction. Brewers or Agents of brewers (either local or foreign) were prohibited from having any interest direct or indirect in the retail vend of beer in the Presidency. The brewers were required to supply beer to shops at a price not exceeding Rs. 40 per hogshead exclusive of duty.

45. Holders of foreign liquor retail licences for consumption off the premises were prohibited from selling "Indian beer" as defined above. In places where there were separate beer shops foreign liquor shop-keepers were not permitted to sell beer other than beer brewed in India on English principles. This was to be sold in bottles as bottled at the brewery.

46. *Receipts.*—The total receipts from beer in 1934-35 derived from the sale of beer shops from the duty on beer issued from the two breweries in this Presidency and from the duty on beer imported into this Presidency from Bangalore amounted to Rs. 3·55 lakhs. In 1912-13 the revenue realised from beer brewed in India amounted to Rs. 2·30 lakhs and in 1933-34 to Rs. 3·70 lakhs.

IMPORTED LIQUORS.

47. In the case of imported liquors the duty leviable under the Tariff Act for the time being in force was credited to Customs, the excise revenue being derived as fees for licences for the privilege of selling the liquors. If foreign liquor was imported in bulk and bottled in this Presidency, the bottles were required each to bear a printed label specifying the country of origin of the liquor, the description of the liquor, the name of the bottler and the fact that the bottling was done in India; these particulars should be furnished on the same label and as conspicuously as the trade description. The sale of medicated wines and similar preparations containing 20 per cent. and upwards of proof spirit but not more than 42 per cent. was prohibited except under a licence.

48. Vend licences were auctioned in the case of taverns licensed for the retail sale of liquor for consumption both 'on' and 'off' the premises and were issued on payment of fixed fees in the case of 'off' licences. In addition to the beer licences referred to in paragraph 44 licences of the latter class were:—

1. *Wholesale licence.*—Fee Rs. 1,000 per annum in the Madras City and Rs. 500 per annum in other places. Under this licence the consumption of liquor in the shop premises and its sale in quantities less than two imperial gallons or a dozen reputed quart bottles or two dozen reputed pint bottles of each kind at a time were prohibited. The holders of this licence were, however, allowed to issue to licensed dealers, to recognised clubs and messes and to respectable private persons samples of liquor in quantities not exceeding one quart in the case of beer and one pint in the case of other liquors. These issues of samples were required to be separately exhibited in the accounts. Distillers and holders of licences for the wholesale vend of foreign liquor were also granted (1) on payment of separate fee of Rs. 250 per annum, licences for the compounding and blending of foreign liquor for sale and (2) on payment of a separate fee of Rs. 50 per annum licences for the bottling of foreign liquor for sale.

2. *Retail 'off' licences for the sale of all kinds of foreign liquor except "Indian beer".*—Fee Rs. 750 per annum in Madras City and Gudalur, Rs. 1,000 in the Nilgiris except Gudalur, Rs. 300 in towns having a population of 25,000 and over and in Kodaikanal, Yercaud, Cochin and Ambasamudram and Rs. 200 in the rest of the Presidency. Under this licence the sale of less than one reputed pint or more than two imperial gallons in one transaction was prohibited.

3. *Hotel licence.*—Fee Rs. 500 or Rs. 250 per annum according as the licence was of the first or second class in Madras City; Rs. 100 or Rs. 50 per annum on the Nilgiris and Rs. 50 or Rs. 25 per annum in the rest of the Presidency. In Mardas the holders of 'hotel' licences could also be granted a separate 'bar' licence for the sale of all kinds of foreign liquor under the same conditions and to the same extent as the tavern licence on payment of a monthly fee of Rs. 100 for a first class and Rs. 50 for a second class bar; special bar licences were also issued to other than holders of hotel licences with the previous sanction of the Commissioner of Excise.

4. *Ordinary Refreshment Room licence.*—Fee Rs. 500 per annum in Madras and Rs. 75 in the rest of the Presidency. Under this licence the sale of liquor for removal from the premises was prohibited.

5. *Railway and Dak line refreshment room.*—Licence fees range from Rs. 50 to Rs. 500 per annum. Under this licence the sale of liquor for removal from the premises was allowed only up to one reputed quart in the case of spirits or two reputed quarts in the case of other liquor to *bona fide* travellers.

6. *Occasional licence.*—Fee Rs. 100 or less for each occasion. This licence was granted for periods not exceeding 10 days at a time and no removal of liquor from the premises was allowed under it.

7. *Canteen licences.*—These were issued on an annual fee of Rs. 24 for regiments and Rs. 12 for smaller units. With effect from 1st April 1935, the fee has been fixed at a uniform rate of Rs. 12 per annum; but an additional fee is levied quarterly in arrear at the rate of Rs. 1-9-0 for each unit of 50 or part of 50 quarts of liquor consumed under each licence.

8. *Special licences.*—This was granted on terms and conditions determined by the Collectors in each case when the circumcumstances were such as not to allow the issue of a licence of any of the descriptions specified above.

9. *Auctioner's licence.*—Fee Rs. 5 per annum.

10. *Licence for the sale of pure rectified spirits.*—Fee Rs. 10 per annum. Licences of this class were issued to chemists and Druggists and other approved persons or firms for the possession of pure rectified spirits in quantities not exceeding 10 imperial gallons. Sale under these licences was not allowed for other than *bona fide* medical, scientific and industrial purposes and the maximum limit of sale at one time to one person was restricted to one reputed pint in the case of sale

to a private individual, two reputed quarts in the case of sale to a chemist, medical practitioner or scientific body and three imperial gallons to any Government Local Fund or Municipal Hospital.

11. *Licence for the sale of medicated wines, etc.*—Fee Rs. 10 per annum. Licences of this class were required for the sale of medicated wines and similar preparations (other than beverage wines) containing 20 per cent. and upwards but not more than 42 per cent. of proof spirit.

12. *Licence for the sale of brandy by chemists on the prescription of a qualified medical practitioner.*—These were issued by Collectors on an annual fee of Rs. 5.

As in the case of Indian made foreign spirits minimum sale strengths of imported foreign spirits were fixed at 35° U. P. for gin, 30°U.P. for Colombo arrack and 25°U.P. for all other kinds of spirits including Italian arrack except denatured spirits.

13. The system of levy of fees from clubs which supplied liquor to their members on payment of a price or of any fee or subscription continued. There were 64 clubs during 1934-35 and a sum of Rs. 6,850 was levied as fees from them.

14. *Spirituous preparations.*—A concessional rate of duty of Rs. 5 per proof gallon was allowed on spirits contained in medicinal preparations, culinary, aerated water or other flavouring essences, extracts, colourings, perfumes and toilet preparations manufactured in bond in this Presidency. The duty on spirits contained in medicinal preparations and the duty on spirits contained in culinary, aerated water or other flavouring essences, extracts, colourings, perfumes and toilet preparations manufactured elsewhere in India and imported into this Presidency by land or under bond by sea continued at Rs. 10 and Rs. 17-8-0 per proof gallon respectively. It was recently ordered by the Government that the protection now afforded to the local industry by means of the preferential duty cannot be expected when the new Government of India Act comes into operation.

A sum of Rs. 85,279 was realised during 1934-35 as duty on spirituous preparations.

49. *Revenue.*—The total revenue derived from Foreign Liquor (excluding the revenue from beer referred to in paragraph 46) was Rs. 9·37 lakhs in 1934-45 against Rs. 9·99 lakhs in 1933-34 and Rs. 5·56 lakhs in 1912-13. A statment showing the consumption of potable foreign liquors is appended (Statement II).

50. *Location of shops.*—For the year 1934-35 the number of shops except toddy shops and the location of all kinds of shops in the Madras City and 21 Major Municipalities in the mufassal were decided by the Excise Licensing Boards, constituted by the Government with non-official majorities. In other areas questions relating to the number and location of shops were decided by Collectors after obtaining the advice of the Excise Advisory Committees (with non-official majorities) in those Revenue Divisional areas for which such Committees were constituted. Where such Committees did not exist the Collectors decided the questions after

ascertaining local opinions, official and non-official, from the District Superintendent of Police, Local Bodies, Planters, Railway authorities and other employers of labour and Forest officers, where necessary. The main principles observed in the matter of location of shops were that rural shops must not be located without permission within a furlong of a metalled road, that when shops on road sides were sanctioned in rural areas the minimum distance between such shops would ordinarily be 5 miles, that sites selected were so far public that persons entering shops could not escape observation but not so prominent as to compel attention, and that where possible the shops would be located on Government lands. It was also laid down that shops should not, as far as possible, be located close to the 'cheris' or other localities inhabited by the members of the depressed classes. As a rule the shop licences were issued for a year, the number and sites of shops having been determined beforehand and were not altered except for very special reasons. The system of selling arrack and toddy shops separately was calculated to facilitate the closure of such shops as were not really needed and had already brought about a large reduction in their numbers.

The decisions of the Licensing Boards were final subject to the control of the Commissioner who had to report to the Government the reasons for not accepting any decision of the Board. As regards Excise Advisory Committees for Revenue Divisional areas the rules provided that the Collector would ordinarily accept the Committee's recommendations and that in cases in which he differed from it he should arrange to convene a special meeting of the Committee and himself, if possible, should explain to it his reasons for disagreeing with its recommendations. In case of continued disagreement between the Collector and the Committee the Commissioner passed final orders.

51. During the year 1934-35 the Excise Licensing Board, Madras City, met ten times and decided to change the sites of 3 toddy shops all of which decisions were accepted. The mufassal Licensing Boards recommended the opening of 2 shops and change of sites in respect of 17 shops. Their recommendations were given effect to in all cases. The Excise Advisory Committees recommended the opening of 45 shops, the closure of 26 shops and change of site in respect of 172 shops and their recommendations were accepted in 44, 22 and 171 cases respectively.

52. *Specific measures adopted for reducing the drink evil.*—The end in view was to decrease consumption so far as was possible without stimulating crime. The specific measures which were adopted towards securing this object were raising gradually the rates of duty and tree-tax, reducing the sources of supply, reducing the strength of liquor and the limit of private possession, rationing supplies to arrack shops in certain places, prohibiting the sale of arrack in certain areas where toddy was the prevailing drink and forbidding the sale of liquor to adult women and young persons under 18 years of age and certain hill tribes. These measures had for the most part been introduced since 1918-19. There has been a marked decline in consumption of licit arrack since 1919-20. The consumption during 1927-28 was less than that in any year since 1912-13 except 1925-26. During 1928-29 there was an increase over the figures of 1927-28 but from 1929-30 there was a steady drop. The number of cases reported in 1927-28 under illicit distillation and kindred offences was the highest up to that time and there was a further increase in 1928-29. In 1929-30

there was a slight fall and the figures of 1930-31 and 1931-32 showed an increase. There was a further and a very marked increase in 1933-34 and 1934-35. The figures of crime relating to illicitly distilled spirits which was 979 cases in 1912 stood at 5,421, an increase of 454 per cent. The number of cases of illicit manufacture of toddy during 1934-35 also showed an increase as compared with the figures of 1933-34—9,153 (8,957).

53. *Rationing arrangements.*—The arrack shops in the municipalities of Vizagapatam (including Pedda Waltair) Vizianagram and Bimlipatam of Vizagapatam District were sold in blocks under rationing arrangements as an experiment for a period of two years from 1st April 1929. The ration for 1929-30 was calculated at 5 per cent. less than the average consumption for the 5 years ending with 30th September, 1928 and that for 1930-31 at 5 per cent. less than the quantity for 1929-30. A similar experiment was sanctioned for a period of 3 years from 1st April, 1930 for the rural areas of Vizagapatam, Vizianagram and Bimlipatam taluks and for Srungavarapukota and Anakapalli taluks. The actual consumption during 1930-31 was considerably less than the ration in all the areas, which was due mainly to economic depression. The consequential loss was considerable in the case of the lessees of the shops in Anakapalli taluk and of rural shops in Vizianagram and Bimlipatam taluks and on their representing inability to carry on their contract their licences were terminated with effect from 1st April, 1931. The shops concerned were sold individually on the same rationing arrangements for a period of one year from 1st April, 1931. The experiment was continued in 1931-32 with a further reduction in ration by 5 per cent. of the quantity allowed for 1930-31. With effect from 1st April, 1932, these arrangements were abandoned in Srungavarapukota taluk and continued in the other areas with further reduction in ration by 5 per cent. of the quantity allowed for 1931-32. The actual consumption continued to be less than the ration due to economic depression. The arrangements were continued in 1933-34 with a further reduction in ration by 5 per cent. of the quantity allowed for 1932-33. But the experiment had little to commend it and proved to be a failure and was therefore abandoned from 1st April, 1934.

Experiments in prohibition.—The experiment of closure of arrack shops in certain toddy drinking areas was in force in the taluks of Shiyali, Thiruthuraipundi, Tiruvadanai, Paramakudi, Tenkasi and Attur. The F. L. 2 shops at Shiyali, Thiruthuraipundi and Tiruvadanai were closed in order to prevent replacement of arrack by foreign liquor. As a further precaution against illicit transport of liquor from the belt shops in the dry areas of Ramnad district the supply to 8 border shops was rationed on the basis of normal consumption. In the Shiyali, Thiruthuraipundi, Tiruvadanai and Paramakudi taluks the experiment can be said to have been a success. In the Tenkasi and Attur taluks, the experiment only led to the development of serious Abkari crime and there was no chance of making it a success. It was accordingly abandoned in these two taluks from 1st April, 1933.

The experiment of prohibition of sale of liquor to members of the hill tribes on the Nilgiris except on a medical certificate was continued during the year. Badagas and other hill men accustomed to drink found as usual no great difficulty in getting liquor surreptitiously through middle men and other sources. There were no indications that the experiment had succeeded in its object of promoting the moral and material welfare of

the hill tribes. On the other hand, there was abundant testimony, chiefly from planters, that the official prohibition tended to demoralise and impoverish those accustomed to drink. There was a general complaint among the hill tribes that the scheme had been forced on them by some of their leading men. Illicit distillation and kindred crime developed to a large extent. The growth of illicit distillation and the consumption of illicitly distilled liquor imported from outside were disquieting results of the conditions created by the experiment.

54. There was no temperance work of importance by private associations.

55. *Any important or new legislation or resolutions or bill in the Legislative Council.*—An important change was made during 1930-31 in the legislative control over transactions in dangerous drugs by the passing of the Dangerous Drugs Act of 1930. This Act was brought into force on 1st February, 1931, and assumed control over all transactions, whether internal or external, in manufactured drugs and coca leaf, over external transactions in opium and hemp and over the cultivation of the poppy, the manufacture and supply of opium and the cultivation of the coca plant. The Indian Opium Act and the Madras Abkari Act had been amended to a certain extent by Schedule II of the Dangerous Drugs Act. The Indian Opium Act as amended deals only with internal traffic in and interprovincial import and export of opium. The Madras Abkari Act as amended in so far as it relates to hemp, will deal with the cultivation and manufacture of, and internal traffic in an inter-provincial import and export of hemp and it ceases to have control over transactions in cocaine and its preparations.

All officers of the Excise, Police and Customs Departments not below the rank of Sub-Inspector and all officers of the Land Revenue Department not below the rank of Deputy Tahsildar were authorised by the Local Government to exercise the powers of entry, search, seizure and arrest without warrant specified in sub-section (i) of Section 23 of the Dangerous Drugs Act. The Local Government had also invested under Section 30 of the Dangerous Drugs Act all officers of the Excise Department, not below the rank of Assistant Inspector with the powers of an officer in charge of a Police Station for the investigation of offences under the said Act. Rules under Sections 7 (2) and 8 (2) of the Dangerous Drugs Act were framed during 1932-33 by the Government of India and the Local Government respectively. During 1933-34 rules under sub-sections (2) and (3) of Section 5 and sub-Section (2) of Section 6 of the Dangerous Drugs Act, 1930, were framed by the Government of India. Section 4 of the Dangerous Drugs Act, 1930, was amended so as to give power to Local Governments to frame rules restricting and regulating the manufacture and possession of prepared opium.

During the budget debate of March, 1935, a motion for the reduction of the allotment under "6 (*a*) Excise Superintendence—A. Excise Commissioner—Pay of Officers"—by Rs. 100 was moved in the Legislative Council to criticise the policy of the Government regarding prohibition. The motion after debate was lost.

Officers of the Public Health Department were authorised to draw attention in their lectures to the effect of intoxicants on the human body and to the evil results of an excessive use of them.

56. *Convictions for drunkenness.*—There were 8,796 convictions for offences of which drunkenness formed a part in places in which the Town Nuisances Act was in force. The Madras City with 2,992 cases contributed 33 per cent. of the total number of such convictions. For further information in respect of convictions for Excise and Opium offences and those relating to country spirits during the years 1912-13, 1933-34 and 1934-35 please see Statements IX and X.

57. *Excise Administration.*—The control of the Excise Administration in the Presidency was vested in the Commissioner of Excise, who was also a Member of the Board of Revenue. The Commissioner had a Secretary who belonged to the cadre of Assistant Commissioner. The superior officers were two Deputy Commissioners (one I. C. S. and another on Rs. 1,300—75/2—1,375), *8 Assistant Commissioners of whom six were on Rs. 600—50—900 in charge of Sub-Divisions comprising groups of districts. 60 Inspectors Rs. 325—525 (Rs. 275—425) in charge of circles forming parts of districts. One Assistant Commissioner assisted by two Inspectors was in charge of Distilleries and Warehouses.

58. The functions of the Excise establishment were the prevention of illicit distillation and smuggling of spirits, the inspection of shops, the marking of licensed palm trees under the tree-tax system, the prevention of tapping from unlicensed trees and the supervision of distilleries. The sale of the right of vend of liquors of all descriptions to which the auction system applied were, as a rule, conducted by Land Revenue officers who were assisted by the Excise establishment with information as to reasonable prices for shops and farms, combination among bidders to reduce prices and similar matters. Collectors were generally responsible for the Excise Administration of their districts though relieved of preventive work by the officers of the Excise department who were in other respects their assistants for Excise purposes. Assistant Commissioners were relieved of direct control over distilleries and warehouses in the Presidency.

59. Calculated on the Census returns of 1931, the incidence of the total excise revenue in Madras was Re. 0-14-6 per head in 1934-35 of which nearly 86 per cent. was realised from liquor. In 1912-13 the average total excise revenue per head of population was Re. 0-12-9 and in 1933-34 Re. 0-14-9.

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*One did duty as Secretary to the Commissioner of Excise and one Assistant Commissioner for Distilleries in the place of the late Abkari Deputy Commissioner. The old scale of pay of Assistant Commissioner Rs. 600—50—900 and Rs. 1,000—100—1,200 was revised to Rs. 500—50/2—700 and of the Inspectors Rs. 325—525 to Rs. 275—425.

CHAPTER II.

BOMBAY PRESIDENCY PROPER.

60. *Excise Revenue.*—The total excise receipts (excluding revenue derived from excisable articles issued to Indian States) for the year ending 31st March 1935 amounted to Rs. 308·18 lakhs as shown below—

	Receipts (in lakhs of Rs.)	Percentage of total excise receipts.
1. Country spirit	146·39	47·50
2. Toddy	63·75	20·69
3. Duty on rum, etc., manufactured in India and excised as foreign	8·78	2·85
4. Duty on malt liquors manufactured in India	·07	·02
5. Duty on commercial spirits, etc.	2·49	·81
6. Licence and vend fees on imported liquors, etc. (including receipts from commercial spirits)	19·76	6·41
7. Opium and its preparations	21·94	7·12
8. Hemp drugs	17·87	5·80
9. Fines, forfeitures and miscellaneous	·92	·30
10. Recoveries from Government commercial undertakings	26·21	8·50
	308·18	100·00

In the previous year the total excise revenue amounted to Rs. 328·43 lakhs and the revenue realised from country spirit was Rs. 168·91 lakhs. The corersponding figures for the year 1912-13 were Rs. 188·65 lakhs and Rs. 145·65 lakhs respectively.

This memorandum is concerned only with the first six items.

61. *Law regulating liquor traffic.*—The liquor traffic in Bombay was regulated by the Bombay Abkari Act of 1878 as amended by Bombay Acts III of 1892, I of 1903, III of 1905, XII of 1912 and IX of 1929. The Indian States in the Presidency as a rule either leased their abkari rights to the Bombay Government, or managed their abkari matters in accordance with agreement made with that Government.

Country Spirit.

62. What is known in Bombay as "country spirit" is manufactured after European methods in large and well organised distilleries. The spirit is distilled either from the dried flowers of the mahura trees (Bassia Latifolia) or from molasses. The whole of the Bombay country spirit revenue was realised under the departmental supply system, described in the following paragraphs.

Departmental Supply System.

63. *Dhadgaon and Nasik.*—Under this system the distilleries were worked, and the liquor supplies to the licensed shops were managed departmentally. The price charged to the licensees for the liquor was fixed by Government on the same principle as that for the areas supplied under the contract supply system. There were two distilleries working under

departmental management, *viz.*, the Nasik Distillery and the Dhadgaon Distillery. The Nasik Distillery supplied in 1934-35 the whole of the Presidency proper except the Akrani tract of the West Khandesh, which was supplied from the Dhadgaon Distillery. Three talukas in the Ratnagiri District, were also supplied in addition to the Nasik Distillery liquor with Kaju liquor under the contract supply system from 1st April 1934.

64. Liquor was supplied to retail vendors from a Bonded Warehouse. The number of warehouses during the year under review was 33.

65. *Supervision of Distilleries.*—The Nasik Distillery was in charge of a Superintendent, and at the Dhadgaon Distillery there was a resident excise officer with a small subordinate staff whose duty it was to protect the revenue by checking the various processes of manufacture and passing the liquor out for consumption. With the exception of Sewri and Ahmedabad warehouses which were in charge of resident Inspectors, all liquor warehouses were in charge of Sub-Inspectors with a similar staff.

66. *Strengths of issue.*—Liquor was issued from the distillery for removal to the bonded warehouse at five strengths *viz.*, over proof, 25° U.P., 30° U.P., 40° U.P., or 60° U.P. but liquor of over proof strength was reduced at the warehouse to the authorised sale strengths of 25° U.P., 30° U.P., 40° U.P., or 60° U.P. before it was issued to retail vendors. As a rule all liquor issued from the distillery to warehouses was over proof strength.

67. *Rates of still-head duty.*—The rates of duty charged varied not only in different districts, but in parts of the same district. They ranged in the years 1933-34 and 1934-35 from Rs. 1-11-0 to Rs. 7-12-0 per gallon on spirit of 40° U.P. (corresponding to Rs. 2-13-0 and Rs. 12-14-8 per proof gallon) and from Rs. 2-8-0 to Rs. 7-14-0 and from Re. 1 to Rs. 5 per gallon on the 30° U.P. and 60° U.P. spirit respectively. The sale of 25° U.P. spirit was also allowed at some border shops, the rate of still-head duty for such kind of spirit varying from Rs. 2-4-0 to Rs. 8-7-0. In 1912-13 they ranged from 12 Annas to Rs. 5-4-0 per gallon on spirit of 25° U.P. and from 6 Annas to Rs. 2-10-0 per gallon on the 60° U.P. spirit.

68. *Strengths at which liquor is sold.*—As stated in paragraph 66 liquor was sold ordinarily only at two strengths *viz.*, 40° U.P. and 60° U.P. though in some cases the sale of 25° and 30° U.P. was allowed. In 1912-13 liquor was sold ordinarily only at two strengths *viz.* 25° and 60° U.P. but it was also sold at 40° U.P. in certain parts. The sales were subject to no maxima selling prices.

69. *System of disposal of shops.*—With the exception of the country liquor shops in the Akrani tract of the West Khandesh District and in the Town and Island of Bombay all other shops were generally disposed of by unrestricted auction but when satisfactory disposal by open auction was not found feasible they were disposed of under the tender system and by private negotiation. The country liquor licenses in the Town and Island of Bombay were as a special arrangement for one year only renewed to the previous year's licensees.

70. *Rationing of shops.*—The system of rationing liquor shops, which was introduced from 1st April 1922, except in the Akrani tract was continued during the year, the rations for all districts being fixed at the same figure as for 1933-34. Shops were disposed of for a period of 12 months from 1st April 1934.

71. *Revenue, consumption and average taxation.*—The revenue realised under this system in 1934-35 amounted to Rs. 146·39 lakhs; of this 95·77 lakhs were realised from duty and 50·62 lakhs from license fees. The issues of spirit amounted to 10,61,545 proof gallons. The average taxation was thus Rs. 13·79 per proof gallon of which Rs. 9·02 was derived from duty and Rs. 4·77 from license fees. In 1933-34 the revenue realised under this system amounted to Rs. 168·91 lakhs and the quantity of spirit issued was 10,64,026 proof gallons. The average taxation was thus 15·87 per proof gallon. In 1912-13 the receipts from spirits under the contract supply system amounted to Rs. 96·64 lakhs and the issues of spirit to areas under the same system amounted to 18,26,089 proof gallons. This gave an average taxation of Rs. 5-4-8 per proof gallon.

TODDY.

72. The Bombay toddy revenue was derived from two sources, *viz.*, tree-tax on the palms from which toddy is drawn, and license fees for the right of vend; but the total revenue obtained was much smaller than it was in Madras. In Madras fresh toddy was exempted from taxation, in Bombay no such exemption was allowed, as it was held that fermentation began in toddy as soon as it was drawn from the trees.

73. *Tree-tax.*—Tree-tax was universal in the Bombay Presidency, but the rates charged per tree tapped varied materially in different districts, and even in parts of the same district. These rates were the same as in 1933-34 and they were highest, in Bombay itself and in parts of Thana, Bombay Suburban and Kolaba Districts *viz.*, Rs. 14 on each cocoanut and palmyra tree tapped and Rs. 7 on each date and wild palm, and as low as Annas 8 per tree in Kaira and Panch Mahals Districts. The more common rate was from Rs. 7 to Rs. 9 for a coconut or brab and Rs. 3 to Rs. 4 for a date or wild palm.

74. The trees licensed to be tapped were indicated by numbers and marks. These were affixed by the licensees themselves under the supervision of Excise officers.

75. *Domestic consumption licenses etc. in Kaira.*—In the Kaira District, licenses were granted to the owners of trees to tap on payment of tree-tax a limited number of trees for domestic consumption only.

76. *Domestic consumption licenses in the Panch Mahals.*—In the Panch Mahals licenses for domestic consumption were granted on payment of a nominal tax of Annas 8 per tree tapped. the number of trees allowed being not more than one tree for every two toddy drinkers.

77. *General license fee system.*—In the remaining districts the sale of toddy was conducted under the separate licensing system under which three kinds of licenses were ordinarily allowed:—

(*a*) shop licenses;

(*b*) tree foot booth licenses; and

(*c*) domestic consumption licenses;;

These licenses were granted on payment of tree-tax and in the case of shop and tree foot booth on payment of license fees in addition. Up to 31st March 1933 domestic consumption licenses in the Surat District were

being granted free of license fee but from 1st April 1933 these licenses were charged in addition to the tree-tax, a license fee equal to the average license fee paid by shop and tree foot booth licenses in the locality.

78. There were, however, some variations in the way in which this system was applied to the different districts—

(1) In the Town and Island of Bombay the tappers were independent of the shopkeepers. They paid the tree-tax and supplied the toddy, as they pleased, to shopkeepers. The shop licenses and tree foot booths were disposed of by open auction, also by tender or private negotiations according to circumstances.

(2) In all the remaining districts the system was uniform. The shopkeepers made their own arrangements with tappers who got tapping licenses on the application of shopkeepers and on payment of tree-tax. In all these districts except Ratnagiri toddy shops were auctioned for a period of one year only from 1st August to 31st July. In Ratnagiri the period runs from 1st April to 31st March.

Licenses to tap and sell toddy at the tree foot booths were also disposed for a period of one year from 1st August 1934 to 31st July 1935 in all the districts except Ratnagiri where the period was from 1st April 1934 to 31st March 1935.

In the Presidency, except in the case of Surat District, licenses to tap a limited number of trees for domestic consumption only were issued to owners of trees on payment of tree-tax only. In the Surat District these licenses were issued on payment of tree-tax and license fees as in the case of shop and tree foot booth licenses.

(3) Maximum prices for the retail sale of toddy at shops and tree foot booths were abolished with the introduction of the auction system in all the above districts.

With a view to encourage the manufacture of *gul* from the juice of toddy trees, tapping of trees for such purpose was allowed without payment of tree-tax.

79. *Toddy receipts.*—The consumption of toddy was largest in Thana, Surat and Ratnagiri Districts and in the Town and Island of Bombay. The total revenue realised under this head in the year under report amounted to Rs. 63·76 lakhs of which 23·04 lakhs were obtained from tree-tax. In 1933-34 the total revenue amounted to Rs. 59·85 lakhs, compared with Rs. 19·96 lakhs in the year 1912-13.

Indian-made Foreign Spirit.

80. Rum, and other potable liquors, rectified spirits, spirits of wine, etc., manufactured in the Bombay Presidency or imported from other parts of India and treated as "foreign liquor" for fiscal purposes were assessed to duty at the rate of Rs. 25-10-0 per proof gallon and were sold under licenses for the vend of foreign imported liquors. The excise duty on Indian-made perfumed spirits imported into the Presidency of Bombay was reduced from Rs. 60 per bulk gallon to Rs. 25-10-0 per proof gallon. The Indian-made spirits manufactured in the Bombay Presidency or imported into the Presidency from other parts of British India or Indian States were assessed to duty at the rate of Rs. 5 per proof gallon in the

case of medicinal preparations and Rs. 17-8-0 per proof gallon in the case of toilet preparations. Rectified spirit of Indian manufacture used for denaturation or industrial purposes under proper authority was exempt from duty. The use of duty free undenatured absolute alcohol and rectified spirit was also allowed to schools and colleges for teaching and research purposes. The duty on rum etc. falling under this head amounted in 1934-35 to Rs. 8·78 lakhs against Rs. 8·93 lakhs in the preceding year and Rs. 2,756 in the year 1912-13.

MALT LIQUORS MANUFACTURED IN INDIA.

81. There were no breweries in this Presidency.

IMPORTED LIQUORS.

82. These paid customs duty on arrival in India and the excise revenue was realised in the shape of vend (pass) fee at the rate of Rs. 1-8-0, 1-8-0, 0-12-0, and 0-6-0 per dozen quart bottles of spirit (except rectified spirit), denatured spirit, wine and beer respectively, and Rs. 2 per dozen quart bottles of rectified spirit of proof strength when the liquor was in bottles and at the rate of Re. 1 per proof gallon of spirits, Annas 12, Annas 6 and Annas 3 per bulk gallon of denatured spirit, wine and beer respectively when the liquor was in wood. This vend fee was levied at the time of clearance from the Customs House, in addition to the license fee charged for the right of vend at the shops. Fees at these rates were also levied on Indian-made foreign liquor manufactured in the Bombay Presidency or imported from other parts of India.

Besides vend (pass) fees, special fees at the following rates were levied on foreign liquor imported by persons other than those holding 'trade' licenses:—

WHEN THE LIQUOR WAS IMPORTED IN BOTTLES.

Rs. 6-0-0 per dozen quart bottles of sparkling wine.

Rs. 4-8-0 per dozen bottles of spirits (including liqueurs and milk punch).

Rs. 2-4-0 per dozen quart bottles of other wines,

Re. 1 per dozen quart bottles of beer, cider and fermented liquors."

WHEN THE LIQUOR WAS IMPORTED IN THE WOOD.

Rs. 3-0-0 per proof gallon of spirits (including milk punch).

Rs. 1-2-0 per bulk gallon of wines other than sparkling wines.

Re. 0-8-0 per bulk gallon of beer, cider and fermented liquors.

Note.—Sparkling wines and liqueurs were not imported in the wood.

The shop licenses were classified as (1) 'trade' for supplying the trade only; Retail "on" (in Bombay City only); (3) Retail "on" beer licenses (in mofussil only); (4) Restricted retail "off" with a minimum limit of sale of two gallons (in Bombay City only); (5) "off" with a minimum limit of sale of one pint; and (6) "wholesale" denatured spirit with a minimum limit of sale of five gallons. In Bombay, 57, 62 and 34 trade, retail 'off' and retail 'on' licenses were issued in 1934-35, whilst 5 trade and 153 "off" licenses were issued in the mofussil. There were also special licenses for

sale in hotels, refreshment rooms, travellers bungalows, clubs, etc. Except in the case of the trade and the denatured spirit licenses which were issued on payment of fixed fees, all other licenses were charged license fees quarterly calculated on the basis of sales in the preceding quarter according to the scale sanctioned by Government. Besides this quarterly assessment on actual sales, fixed license fees varying according to the circumstances of each case, were charged, except for retail "off" licenses. In the case of non-privileged "on" shops in Bombay the good will was auctioned, in addition to the levy of quarterly license fees on sales. Licenses for the sale of foreign liquors at Military canteens established under the "Canteen Tenant System" were charged license fees on actual sales of liquor at the same rates as were prescribed for other licenses.

The number of licenses for the sale of foreign liquor was 3,109 against 3,090 in the preceding year.

The minimum strength at which foreign liquor could be sold in Bombay or in the mofussil was fixed at 35° U.P. in the case of gin and 25° U.P. in the case of other potable spirits. Spirits selling at not less than Rs. 55 per gallon and liqueurs which were obscured in strength were however permitted to be sold at strengths lower than 25° U. P.

83. *Imports and consumption of foreign liquors.*—The imports of foreign liquors into Bombay City by sea during the year under review, compared with those of the previous year and 1912-13 were as follows—

Year.	Fermented Liquors Liquid gallons.	Wines. Liquid gallons.	Potable spirits. Proof gallons.
1934-35	11,60,264	51,451	1,05,584*
1933-34	12,01,534	47,632	1,12,993†
1912-13	12,73,723	1,10,468	3,16,034

The following table gives the statistics of sales of potable foreign liquors in the year under report compared with those in the previous year and 1912-13:—

Year.	Fermented Liquors.	Wines.	Potable spirits.
1934-35	8,81,730	29,324	1,61,248
1933-34	9,58,750	9,046	1.66,885
1912-13	5,15,711‡	86,232	3,42,103‡

*Includes 281 proof gallons and 2 bulk gallons of liqueurs.

†Includes 3,709 proof gallons and 121 bulk gallons of liqueurs.

‡L. P. Gallons.

The decrease in potable spirits was mainly due, as in previous year, to the high selling prices consequent on the continuance of the enhanced rates of both excise and customs duties, and that in fermented liquors was due to the raising of the rate of assessment on sales from Re. 1 to Rs. 1-6-0 per dozen quart bottles. It was also due to the reduced resources of the people on account of trade depression and unemployment and to the greater use of *masala*, *i.e.*, spiced country liquor and toddy in place of foreign liquor. The increase in the sale of denatured spirit was due to greater use in arts and industries.

84. *Location of shops.*—The number of liquor shops for the retail vend of country spirit increased from 2,109 in 1933-34 to 2,129 in the year under report. The additional 20 shops were opened in places where they were required to meet the legitimate needs of the consumers or combat illicit distillation. Wherever new shops were opened, care was taken to ascertain previously the wishes of the local residents. Local advisory committees were constituted for the consideration of questions affecting the number and location of liquor shops, both in Municipal and rural areas throughout the Presidency proper. The precise constitution of the Committee was determined by the Local Government. Ordinarily each of them had 9 members of whom 6 were non-official. The Government of Bombay had ordered that no new shops should be opened in any locality without their sanction which was granted only in very exceptional cases. An outstill 'on' shop was opened at Redi in the Ratnagiri District especially for the sale of kaju and toddy spirits with a view to prevent British custom from resorting to Portuguese shops across the border. The opening of the shop had the desired effect inasmuch as the shops in the Vengurla Petha alone contributed to the increase in consumption by about 765 proof gallons.

85. *Temperance activity.*—There were no genuine temperance movements in Bombay City or in the mofussil and licensees carried on their business in security as in normal times.

86. Rationing of liquor, and the adoption of all other proper and necessary means were continued in furtherance of the policy of prohibition accepted by Government.

87. *Offences against Abkari law.*—The total number of cases detected during the year under report was 9,917 against 8,380 in the previous year and 2,795 in the year 1912-13. Of these 9,389, 7,887 and 1,282 related to liquor during the years 1934-35, 1933-34 and 1912-13 respectively, and the rest to hemp drugs and cocaine. Cases under "illicit distillation" alone account for an increase of 962 the number of such cases detected during the year under report being 5,604 as against 4,642 in the previous year. The increase was chiefly due to the vigilance and greater exertions on the part of the Excise staff. The cases detected show the extent of crime prevailing in some districts in spite of the increase in the strength of liquor sold and the reduction in still-head duty rates. Four cases of illicit distillation were detected in the Town and Island of Bombay against 7 in the preceding year. Cases under illicit importation, exportation and transportation increased from 237 to 287 (an increase of 50). Those under illicit possession increased from 1,672 to 1,902 (an increase of 230) while those under "unlicensed sale" decreased from 74 to 51. Cases under "other miscellaneous offences" rose from 1,262 to 1,545.

ADMINISTRATIVE AGENCY.

88. The administration of the Abkari Department was vested by the Bombay Abkari Act in the Collectors of Districts under the general control of the Commissioner of Excise assisted by a staff of a Personal Assistant and Superintendents of Excise, distillery and preventive Inspectors, Assistant Inspectors and Sub-Inspectors, ministerial officers (such as clerks and karkuns) and a force of constabulary staff. Certain powers under the Act were also conferred on officers of kindred departments, such as the Customs, Salt, Police and Forest, which render assistance in checking the manufacture, importation or sale of excisable articles in contravention of the Act. For the supervision of distilleries and bonded warehouses in the Presidency proper, the Presidency was divided into three circles, *viz.*, the Northern, Central and Southern Circles. The distilleries and bonded warehouses in each circle had been placed in charge of an Inspector. The whole cost of the distillery supervision establishment was debited to Government.

AVERAGE TOTAL EXCISE REVENUE.

89. Calculated on the figures of the census of 1931 the incidence of the total excise revenue realised in the British Districts of the Bombay Presidency outside of Sind (*viz.*, 308·18 lakhs) was Rs. 1-11-5 per head of which about four-fifths were attributed to liquors. The incidence of total excise revenue per head of population in 1933-34 amounted to Rs. 1-13-3 as against Rs. 1·01 in 1912-13.

CHAPTER III.

SIND.

90. The total revenue for the year ending 31st March 1935, amounted to 31·97 lakhs and was realized under the following heads—

Heads.	Receipts in lakhs of Rupees.	Percentage of total Excise receipts. 1934-35.
1. Country spirit	14·83	46·39
2. Toddy	0·27	0·84
3. Duty on country rum, etc., manufactured in India and Excised as foreign . . .	0·02	0·06
4. License and Vend Fees on imported liquors, etc. (including receipts from Commercial spirits)	4·61	14·42
5. Opium and its preparations . . .	4·31	13·48
6. Hemp Drugs	6·27	19·61
7. Miscellaneous	1·66	5·20
	31·97	100·00

In 1933-34 the excise revenue amounted to 30·31 as against Rs. 23·19 lakhs during the year 1912-13. In 1933-34 the revenue from country spirit amounted to Rs. 13·84 lakhs as against 14·13 lakhs in 1912-13. This memorandum is concerned with the first four items.

91. The liquor traffic in Sind was regulated by the Bombay Abkari Act (V of 1878) as amended by Bombay Acts, III of 1892, 1 of 1903, III of 1905, XII of 1912 and IX of 1929.

Country Spirit.

92. Until the year 1909-10, the revenue from country spirit was realized under the Distillery system corresponding with the 'Free supply system' under which manufacture was completely separated from vend and there was no monopoly of either. From 1st April 1910, the system was replaced by one of "contract supply". Under this system the Province was divided into three contract areas comprising (1) the District of Karachi (2) the Districts of Hyderabad, Nawabshah and Thar Parkar and (3) the Sukkur, Larkana, Upper Sind Frontier and Dadu (newly created) Districts. Molasses and mohwra spirit were to be supplied to the Karachi and Hyderabad Districts and molasses spirit to other Districts. The contracts for each of these areas were given out for a period of one year only (1910-11) and were renewed for the following year 1911-12. In 1912-13 the contracts for areas (2) and (3) were merged into one. From 1st April 1910 to 31st March 1918, a separate contract was also given out for the supply of mohwra liquor to the Karachi and Hyderabad Districts where alone such liquor was consumed. From the 1st February 1918 manufacture of country spirit in Sind ceased, pending the construction of an up-to-date distillery at Kotri and supplies were obtained by importation from outside Sind. The Government Distillery at Kotri reopened on the 27th September 1922 and commenced manufacture in October 1922. The importation of country spirit from outside Sind then ceased. Sind has now one contract area.

The (two years) contract regarding the manufacture of country spirit at the Government Distillery at Kotri expired on 31st March 1935. It was further extended by two years ending 31st March 1937.

93. *Arrangement of supply.*—Country spirit for supply to Sind, was manufactured at Kotri and distributed from the Kotri Distillery and Bonded Warehouses at Karachi, Kotri and Sukkur. The bases used were molasses (imported from Java) and mohwra upto 1925-26 and thereafter molasses only. At Kotri a patent still has been installed with modern accessory plant. The cost in the first instance was borne by the contractors but under the terms of the contract, the new contractor will take over the plant when the contract expires. The Distillery and Warehouse buildings were provided by Government and rented to the contractors. Before the Kotri Distillery commenced manufacture, spirit was being imported by Government from the Distilleries of Amritsar and Cawnpore, and distributed to retail licensed vendors through a distributing contractor. A steam heated pot still was also installed at the Kotri Distillery in 1925-26 for the manufacture of *masala* liquor.

94. *Still head duty, etc.*—The following were the sanctioned rates of still head duty in 1933-34 and 1934-35—

	Strength.	Rates of duty. Rs. A. P.
Strong spirit	15°U. P.	8 0 0
Weak spirit.	40°U. P.	6 4 0

In 1912-13, the rates of duty and the strengths at which both mohwra and molasses spirit were issued, were as follows—

	Strength.	Rates of duty. Rs. A. P.
Strong spirit	10°U. P.	5 0 0
Weak spirit	40°U. P.	3 4 0

95. *Retail vend.*—The retail vend licenses throughout Sind were sanctioned for one year. Under the auction system a minimum and not maximum selling price was fixed. The number of shops licensed for the retail sale of country spirit during the year under review was 241 as against 249 in the preceding year and 249 in 1912-13.

96. *Average taxation.*—Out of Rs. 14·83 lakhs realized from country spirit in 1934-35, 4·42 lakhs were derived from vend fees and the rest from still head duty. The issues for consumption amounted to 1,08,140 proof gallons bearing an average duty of Rs. 9-10-2 and total taxation Rs. 13-11-4 per proof gallon. The total consumption of country spirit and the total taxation per proof gallon thereon, during the preceding year compared with that of the year 1912-13 as under—

Year.	Total consumption in L. P. Gallons.	Total Taxation. Rs. A. P.
1912-13	2,28,204	6 3 1
1933-34	99,429	13 11 8

97. Toddy was sold in the towns of Karachi and its suburb (Malir), Hyderabad, Sukkur and Kotri only. In the towns of Hyderabad and Sukkur, shops were licensed for the first time from 1st January 1923. The quantity of toddy sold in 1934-35 was 48,255 gallons against 29,911 gallons in the preceding year and 3,972 gallons in 1912-13, and the revenue realized was Rs. 27,169 as against 28,304 in the preceding year and 1,265 in 1912-13. 9 shops were licensed for the retail vend of toddy, 6 in Karachi and one each in Hyderabad, Sukkur and Dadu Districts. In 1912-13 there were only four shops authorized to sell toddy 3 in Karachi and one in Larkana. The supply of toddy depends upon the willingness of private owners of trees to allow them to be tapped for the purpose. The increase in consumption of 18,344 gallons is attributed to the cheapness of the beverage which was mostly consumed by labouring classes. Supply arrangements were satisfactory. The tree-tax system was not in force. The contractors held the combined privilege of tapping and vend. Stocks at shops were usually exhausted on the day of their arrival, so that toddy was consumed in comparatively fresh state. The palms tapped were situated at Malir and Jhimpir in the Karachi District, Kotri in the Dadu District and in the town of Sukkur. No state owned trees were tapped.

Indian Spirit excised at Tariff rates.

98. In 1934-35, 1,750·6 proof gallons of rectified spirit were manufactured at the Kotri Distillery as against 914·2 proof gallons in the preceding year. Supplies of other kinds of spirit were obtained in small quantities from other provinces, and sold under the ordinary retail foreign liquor licenses. There were no breweries in the Province.

Imported Liquors.

99. The duty on Foreign liquor, etc., imported by sea was credited to Customs. Excise revenue on these liquors was realized from the pass fee, fixed license fees for the right of vend, 'Good will' of retail 'on' licenses and license fees assessed on the actual sales.

100. Ordinary vend licenses were of 3 classes, *viz.*, ordinary Trade and Import, retail 'off' and 'on' licenses. Ordinary Trade and Import licenses were granted only in Karachi Town to the firms doing a large business. These licenses were granted on payment of the annual fee of Rs. 600 with permission to sell only to the Trade in the Bombay Presidency (including Sind) and anybody outside the Presidency. A vend fee at the rate of Rs. 1-8-0, 0-12-0 and 0-6-0 per dozen quart bottles of spirit (except rectified spirit), wine and beer, respectively for liquor in bottles, and at the rate of Re. 1 per proof gallon of spirit and Re. 0-6-0 and Re. 0-3-0 per bulk gallon of wine and beer respectively, for liquor in the wood was also levied at the time of clearance from the Custom House. Fees at these rates were also levied on Indian made foreign liquors, manufactured in the Bombay Presidency or imported from other parts of India. Special import licenses were granted to hotels and clubs at their request on payment of a fee of Rs. 100 in the first case, and without fee in the latter case to enable these institutions to import for their own needs but not for supply to other licensees or the public. Trade and Import (Land Frontier) licenses were granted in mofussil for the import of Indian made foreign liquor (by Land) on payment of the annual fee of Rs. 25, Rs. 50 or Rs. 100 according to the volume of the business.

Retail 'off' licenses permitting the sale of liquor in quantities of not less than half a pint at a time and prohibiting consumption on the premises were granted in all districts on payment of the license fees assessed on actual sales at the prescribed standard rates subject to a minimum of Rs. 250 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur, and Rs. 100 in the mofussil. In the case of new foreign liquor 'off' shops the selection of the first licensees was determined by auction. Then they were continued to the same licensees subject to good management.

Restricted or special retail 'off' licenses were granted to the old wholesale licensees who were authorized to sell to the public in quantities of not less than one dozen quart bottles or two gallons at a time, on payment of license fee on actual sales at the rates prescribed for retail 'off' licenses.

Retail 'on' licenses and licenses for the sale of malt liquor of Indian and foreign manufacture were granted only in towns and their 'Good Will' was auctioned. In addition to the 'Good Will' they paid license fees on the actual sales subject to a minimum of Rs. 500 in the cities of Karachi, Hyderabad, Sukkur and Shikarpur and Rs. 200 in the mofussil per annum.

Licenses for the sale of liquor in hotels and refreshment rooms (other than Railway Refreshment Rooms) were also granted at certain fixed fees according to their classification in addition to the license fees assessed on actual sales. Hotels were charged Rs. 150 extra per annum for late closing hours.

Railway Refreshments and Dining Cars were charged fixed fees at the discretion of the Collector subject to the approval of the Commissioner in Sind in addition to the fees assessed on actual sales. Licenses were also issued for the sale of fermented liquor at Military Canteens established under the 'Canteen Tenant System' on payment of license fee on the actual sales.

In 1934-35, 14 wholesale, 44 retail 'off' 15 retail 'on' 248 (48 permanent and 200 temporary) hotels, refreshment rooms and clubs, etc., 11 canteens and 6 beer licenses were issued. In 1933-34 the total number of such licenses issued was 434 against 205 in the year 1912-13. The retail 'on' shops in the Town of Karachi and Hyderabad and beer shops in all districts were disposed of by auction while the other permanent licenses were renewed to the previous holders.

The minimum strength at which foreign spirit was permitted to be sold was fixed at 35° U.P. for gin and 25° U.P. for other potable spirits. In 1912-13, the minimum strengths of spirit were the same, spirits sold at a retail price of not less than Rs. 50 per gallon and liqueurs obscured in strength were exempted from the restriction as to the minimum strength. For figures showing consumption of potable foreign liquor see Statement II.

101. The following important changes relating to liquor were introduced during the year under report—

(*a*) The closing hour of Toddy shops was extended to 10 P.M. in summer, as an experimental measure, for one year.

(*b*) The closing hour of Beer and Foreign Liquor "on" shops in Sind, was extended to 10 P.M., in summer, as an experimental measure, for another year.

(*c*) The raising of the strength of Country Spirit from 25° U.P. to 15° U.P. was sanctioned for a further period of 12 months.

(*d*) Excise duty on Indian Beer was reduced from Annas 12 to Annas 10 per imperial gallon from 1st April 1934.

(*e*) The license fee on beer for both ordinary and Club licenses was raised from Re. 1, to Rs. 1-6-0, per dozen quart bottles from 1st April 1934.

(*f*) Amendment of Sind license forms of country liquor, necessitated by the location of Hemp Drugs and Opium shops in Country Liquor shop premises was sanctioned.

(*g*) The concession to use duty free undenatured alcohol for preservation of exhibits was extended to the Victoria Museum, Karachi.

(*h*) The special fee on private imports of fermented liquors was fixed at Rs. 1-6-0 per dozen quart bottles.

(*i*) All the license forms for the sale of Foreign Liquors were amended as under—

After the words 'human consumption' appearing in the last line of clause (*c*) *add* the following:—

"the prohibition of the sale of Indian made spirits of the strength lower than 25° U.P. will not be enforced in the case of any liquor which is obscured in strength."

(*j*) The following condition was inserted in the licenses for the retail-sale of country spirit and toddy, in Sind—

"The licensee shall not advertise the price, quality or attractiveness of liquor/toddy, outside the shop premises or anywhere else. Only such information regarding price, etc., as is allowed by the license shall be posted up in the shop."

(*k*) The limit of two quart bottles fixed for exemption from payment of vend (Pass) Fee on Foreign Liquor brought by a passenger or imported by post into the ports of Bombay and Karachi and the continental Custom ports in the Bombay Presidency for personal use was reduced to one quart bottle.

102. *Offences.*—The number of offences relating to liquor was 311 as against 228 in the preceding year. Out of which 92 related to illicit distillation as against 110 in the preceding year.

103. *Convictions for drunkenness.*—The number of convictions for drunkenness was 7 as against 11 in the preceding year.

104. The number of Excise Advisory Committees in Sind during the year under report was 73 as against 39 in the last year. Their chief recommendations are summarized below—

1. Change in the closing hour of the Country Spirit, Toddy, Beer and Foreign Liquor "on" Shops.
2. The existing strength of 15° U.P. may be made permanent.
3. Opening of a foreign liquor 'off' shop at Tatta.
4. Opening of a Charas shop at Berani.
5. Foreign Liquor 'on' shop in Mirpurkhas Town may be allowed to be opened at 9 A.M., instead of 10-30 A.M., with a mid-day closing from 12-30 to 2 P.M.

6. Opening of Foreign Liquor 'off' shop at Ratodero.
7. Opening of Country Spirit shop at Umerkot.
8. Opening of Charas shop at Islamkot.
9. Opening of Foreign Liquor 'off' shop at Mithi.
10. Opening of Charas shops at Samaro and Shadipali.
11. An additional 'On' Beer shop be opened at Shikarpur.
12. All liquor shops be closed on the birth day of Guru Nanak Sahib.
13. Foreign Liquor shop may be opened at Chotki.
14. The closing hour of Foreign Liquor 'off' shops may be extended to 10 P.M.. in summer.

(1) On the above recommendations the closing hour of 10 P.M. for country liquor shops, in summer was continued for another year and that of toddy, Beer and Foreign Liquor "on" shops was extended to 10 P.M., as an experimental measure for another year.

(2) The raising of the strength of country spirit from 25° U.P. to 15° U. P. was sanctioned for a further period of 12 months.

(3) Sanctioned from 1st April 1935 (4) (7) (8) sanctioned from April 1936, (5) sanctioned from 1st April 1935 (6) (9) (11) (12) (13) and (14) rejected (10) will be reviewed while submitting proposal for excise arrangements for 1936-37.

105. *Location of shops.*—The objections of residents to the opening of new liquor shops were invariably invited and they received due consideration. Proposals to open new shops were also referred to the Local Excise Advisory Committees.

106. *Administrative Agency.*—The Collector of Excise Revenue was in charge of the Collectors of districts under the control of the Commissioner in Sind. A combined establishment was maintained for the protection of the Excise and Salt Revenues. The establishment was under the control of the Superintendent of Salt and Excise in Sind, aided by two Deputy Superintendents of Salt and Excise and the Superintendent of Salt Revenue for Sind, subject to the orders of the Commissioner in Sind. The Deputy Superintendents acted also as advisors in Excise matters to the District Collectors.

107. *Average total Excise Revenue.*—Calculated on the census of 1931, the average Excise Revenue for the year 1934-35 was Re. 0-13-0 per head of which about three-fifths was derived from liquors. In 1933-34 the incidence of Excise Revenue per head of population calculated on the census of 1931 worked out to Re. 0-12-6 of which the proportion derived from liquor was the same as in the year under report. In 1912-13 the average Excise Revenue per head was Re. 0-10-6 of which about three-fifths was derived from liquors.

CHAPTER IV.

BENGAL PRESIDENCY.

108. The gross Excise Revenue for 1934-35 was Rs. 137·49 lakhs and was realised under the following main heads:—

	Revenue (in lakhs of rupees).	Percentage of total excise revenue.
Country spirit	38·49	28·00
Country fermented liquors (*tari* and *pachwai*) .	17·33	12·60
Foreign liquors (including Indian beer) . .	16·16	11·75
Opium and its preparations	34·74	25·27
Hemp drugs	28·03	20·39
Miscellaneous	2·74	1·99
	137·49	100·00

In the previous year, the total Excise Revenue amounted to Rs. 134 lakhs, and the revenue realised from country spirit was Rs. 37·12 lakhs. The corresponding figures for the year 1912-13 were Rs. 137·59 and Rs. 64·10 lakhs respectively (*cf.* Statements VII and VIII). The net revenue from Excise during the year 1934-35 showed a decrease of ·07 per cent on the corresponding figure for 1912-13 and an increase of 2·8 per cent on that of the preceding year but the revenue from country spirit showed a decline of 40 per cent from figure of 1912-13. This Memorandum is concerned only with the first three items.

109. *Law regulating liquor traffic.*—The Bengal Excise Act V of 1909, as amended by the Bengal Excise (Amendment) Act, VII of 1914 and the revised statutory rules published in Government Notifications Nos. 595-S.R., 596-S.R., and 601-S.R.. dated the 30th March 1915, as amended from time to time, were in force throughout the Presidency.

Country spirit.

110. *Definition of "Country Spirit".*—The expression "Country spirit" in Bengal means plain unsophisticated spirit made from *mahua* and molasses and excised at special rates.

111. *System of supply.*—In 1912-13 the contract supply system was in force in the Burdwan, Presidency and Rajshahi Divisions, the Sadar distillery system in the Dacca Division, and the outstill system in the Chittagong Division. During that year 8·43 per cent of the whole area was under outstill system and the percentage of population served by that system was 11·52 (see statement V). In 1933-34 and 1934-35 the right of manufacture and supply of country spirit to retail dealers throughout the Presidency was owned by 3 private distillers in the Presidency working under the English method. The distillers were formerly required to supply country spirit to retail vendors at a fixed price determined by tender. As, however, the price of raw materials fluctuated considerably and distillers were unable to tender at firm rates for over long periods, the Government of Bengal modified the system, and directed that from the year 1921-22 the cost price to be charged by the distillers from the retail dealers should be fixed annually on a consideration of the

"cost price of raw materials" and the "manufacturing charges". The system was gradually perfected and the present method of calculation and fixation of the cost price of country spirit, which is based on the cost of raw materials every year and a sliding scale for manufacturing charges based on output, was finally approved by the Government in 1926-27 and came into operation from the 1st July 1926.

The contracts with the distillers for the supply of country spirit in Bengal were renewed for a period of two years from the 1st July 1935.

Spirit manufactured at these distilleries was conveyed to and stored in warehouses built by Government, and situated at district or sub-divisional headquarters, or at other suitable centres within the supply areas. Each warehouse was in charge of a Government officer and was suitably guarded. The operations of storage, reduction, blend and issue in the warehouses were performed by the distillers' employees under the supervision of the Government officer-in-charge. The spirit was conveyed from the distilleries to the warehouses under bond, and duty was levied upon it as it was issued to the retail vendors from the warehouses.

In the whole of the Presidency, and strengths for the retail sale and the retail vend-prices of country spirit were fixed. Dilution by retail vendors was prohibited. The distillers were not allowed to have any interest in the retail business.

112. *Strengths of issues and rates of duty.*—The standard strengths at which spirit was issued to retail vendors from distilleries and warehouses varied during the year 1933-34 and 1934-35 in the Province as a whole, from 25° to 75° under-proof.

The duty varied in these years from Rs. 16-4-9 to 0-7-3 per Imperial Bulk gallon according to the strength, being highest in the districts of Calcutta, 24-Parganas and Howrah and lowest in the tea garden areas of the district of Chittagong. In 1912-13 the standard strengths at which spirit was issued to retail vendors varied, taking the Provinces as a whole, from 10° to 70° under proof, and the duty varied from Rs. 5-10-0 to Rs. 0-13-4 per gallon according to strength, being highest in Calcutta and lowest in certain backward tracts in the Burdwan Division.

113. *Retail vend arrangements.*—During 1933-34 the licenses were settled partly under the fixed fee system and partly under the auction system. During 1934-35 licenses for the retail vend of country spirit were settled under the fixed fee system with effect from 1st April 1934 except in the districts of Birbhum, Midnapore, Murshidabad, Mymensingh, Jalpaiguri and in the industrial area of Hooghly where the shops, continued under the auction system upto 30th June 1934. The shops in these districts were however, resettled under the fixed fee system with effect from 1st July 1934 as the experiment with the auction system proved unsuccessful. In 1912-13, the right of retail vend in distillery area was disposed of by annual auction, separately for each shop, except in Calcutta where licenses were auctioned every two or three years.

114. *No. of country spirit shops.*—In 1934-35 the number of licenses (permanent and temporary) for the sale of country spirit was 899 compared with 1,287 in 1912-13 a reduction of 30·14 per cent. and 900 in the year 1933-34 a decrease of ·11 per cent. (*cf.* statement IV). In 1912-13, there was one shop to every 35,340 inhabitants, whereas in 1934-35 there was one to every 55,507. The average population per shop thus increased by 57·06 per cent.

In 1912-13, the average area served by each shop was 61·15 square miles. In 1933-34 it was 80·57 square miles, and in 1934-35 80·66 square miles.

Imperial Return III of the Bengal Excise Administration Report for 1932-33 shows 3 "distillers licenses" under the head "wholesale licenses for the sale of country spirit". These represent licenses granted to the distillers to cover disposal of their liquor at the distillery or a warehouse. In 1912-13, there were such 29 "distillers" licenses for the manufacture and wholesale vend of country spirit.

115. *Consumption Revenue from and average taxation on country spirit.*—Including receipts from distillery and vend license fee the total country spirit revenue for 1934-35 in the Presidency was Rs. 38·49 lakhs, whereas in 1912-13 it amounted to Rs. 64·10 lakhs (including Rs. ·83 from outstill areas) and Rs. 37·12 lakhs in 1933-34 (see statement VII). The consumption of distillery liquor in 1934-35 was 294·665 proof gallons, against 851,534 proof gallons in 1912-13 a reduction of 68·44 per cent in consumption. The actual fall in the consumption of country spirit however was greater than the percentage indicated as in 1911-12. One division was under the outstill system. The consumption, for 1933-34 was 246,246 proof gallons (*cf.* statement I) and the consumption for the year under review represents an increase of 20 per cent of this figure. The average taxation per proof gallon in 1934-35 amounted to Rs. 13-0-7 of which Rs. 10-12-7 were derived from duty and the balance Rs. 2-4-0 from vend fees etc., whereas in 1912-13 the corresponding figures of total taxation, duty and vend fees were Rs. 7-6-10, 4-7-10 and 2-15-0 respectively. The figures for 1933-34 were Rs. 15-0-11, 12-15-6 and 2-1-5 (*cf.* statement VI).

Country Fermented Liquors.

116. *Tari.*—*Tari* is the sap of the palm and is used either when freshly drawn from the trees or after fermentation. "Palmyra" and "date" palms are chiefly used for its production. There were no Excise restrictions on manufacture and sale of fresh *tari* except that in tree tax areas such *tari* must be drawn in vessels freshly coated internally with lime. The revenue from fermented *tari* was derived from shop license fees, and from a tree-tax in certain areas. The tree-tax system was in force in the Sadar and Serampore Sub-Divisions of the Hooghly district and the whole of the Howrah district. The system was extended to Calcutta and the major portion of the district of the 24-Parganas with effect from the 1st April 1926.

117. *Tree-Tax System.*—The system consisted of the levy of a uniform tax on each tree tapped for the production of fermented *tari*, in addition to a vend license for each shop which was determined by auction. The tree tapping licenses were issued on the application of (1) licensed retail vendors, (2) tappers and (3) tree owners (for not more than three at a time up to a maximum of six trees for the whole) and no *tari* was drawn from a tree until the latter had been properly marked.

The rates of tax per tree were as follows:—

	Rs.
Date tree	2
Palmyra tree	3
Cocoanut tree	3

118. *Revenue and Licenses.*—The total revenue derived from *tari* in 1934-35 was Rs. 7,80 lakhs, compared with Rs. 4,5 lakhs in 1912-13 and Rs. 6,96 in 1933-34. In 1934-35, the number of shops licensed for the retail sale of fermented *tari* only (restrictions on sale of fresh *tari* having been removed) was 464 against 853 in 1912-13, a reduction of 45,60 per cent and against 460 in 1933-34 an increase of ·87 per cent.

119. *Pachwai.*—*Pachwai*, otherwise, called "handia" or "marua" is a fermented liquor brewed from rice or millet. It is drunk chiefly by aboriginal tribes in several districts and is used both as a stimulant and as a food. It is the favourite drink of the lower classes and particularly of the aboriginals. Except in Darjeeling, where *pachwai* is chiefly made from millet, rice is the material employed, for its production.

120. The bulk of the revenue under this head was derived from licenses for "manufacture and retail sale" which were issued in the Burdwan and Presidency Division except in Calcutta, 24-Parganas, Jessore and Howrah. Outside the above two divisions there were such licenses only in the districts of Chittagong, Jalpaiguri and Darjeeling. The Revenue from "retail vend license-fees" and "home-brew" licenses amounted to Rs. 9·53 lakhs, compared with Rs. 8,33 lakhs in 1912-13 and 9·32 lakhs in 1933-34. The number of licenses issued for "retail sale", "home-brew (annual)" and "Manufacture of *pachwai* on special occasions" was as follows:—

	1912-13.	1933-34.	1934-35.
Retail sale	1,407	1,132	1,132
Home brew	25,923	58,645	61,697
Manufacture on special occasions .	716	493	653
	28,046	60,270	63,482

A Fixed Fee System of settling *pachwai* shops, under which the monthly license fee is realised on a sliding scale based on the quantity of rice used in the manufacture, was in force in Burdwan, Birbhum, Bankura, Hooghly, Nadia and Murshidabad districts and partially in the Midnapur district. The system of detailed and scientific control over the manufacture and sale of *pachwai* in licensed premises which was introduced in 1919 continued in force. The administrative measures introduced in 1926-27 to further tighten up the control over manufacture and sale of the article in licensed permises *viz.*, (1) the fixation of a minimum strength of diluted *pachwai* sold in shops, (2) revision of the prescribed measures of dilution, and (3) proper arrangements for frequent tests of the strength of diluted *pachwai* had the desired effect. The *pachwai* shops in the Rampurhat and Mamud Bazar thanas of Birbhum and in the Raipur Simalapal, Raniband, Khatra, Chatna and Indpur thanas of Bankura which were settled as an experimental measure under the Auction System with effect from 1st September 1933 continued under that system until 31st January 1935. They were resettled under the Fixed Fee System (under Government Order No. 130, dated 11th February 1935) with effect from 1st February 1935. Under these orders Government also sanctioned revised scale of license fees for all the *pachwai* shops settled under the Fixed Fee System with effect from 1st February 1935.

Bakhar, a fermenting agent, which was formerly under partial Excise control has been now declared to be an "Excisable article" for the purpose of the provision of the Bengal Excise Act, 1909 (Bengal Act V of 1909) throughout the Presidency except in the districts of Jalpaiguri and Darjeeling. The number of home-brewing licenses issued during the year in Jalpaiguri and Darjeeling was 40,750 and 10,012, respectively. The large number of licenses in these districts was due to the fact that these districts are inhabited by the hill peoples of Mongolian extraction and others from Chota Nagpur, both of which races have a penchant for alcoholic stimulants.

121. *Special concession to aboriginal tribes.*—Licenses permitting home-brew of *pachwai* only for domestic consumption were granted in the districts of the 24-Parganas, Jessore, Dacca, Mymensingh, Bakarganj, Chittagong, Rajshahi, Malda, Dinajpur, Pabna, Bogra, Rangpur, Jalpaiguri and Darjeeling in the Presidency. The rates of tax varied from Re. 1 to Rs. 2 per house-hold per annum.

Besides such annual licenses, special permits were also granted to applicants for homebrew of *pachwai* on special occasions, *e.g.*, marriages etc., on payment of a tax of annas 8 per household on each occasion.

Free home-brew of *pachwai* only for private consumption, was permitted to members of aboriginal tribes in a few districts during the annual *Bandhana* and *Pous Sankranti* festivals. It was also permitted to members of hill tribes in Darjeeling district up to a limited quantity. This privilege which was previously in force in Jalpaiguri district was withdrawn during 1925-26.

122. *"Wanchu" A kind of fermented liquor prepared from rice.*—Licenses were granted to Chinese families in Calcutta, for the home-brew of "Wanchu" (a fermented liquor prepared from rice) on ceremonial occasions on a tax of Rs. 2 per household on each occasion.

Foreign Liquors.

123. *Definition of "Foreign liquor".*—The term "foreign liquor" includes imported liquors of all kinds and certain Indian-made liquors specially classified as "Foreign liquor". It also includes rectified spirit, denatured and perfumed spirits and spirits used in drugs, medicines and chemicals.

124. The revenue of the Presidency from foreign liquors consisted of the duty on Indian made "Foreign liquors" levied under the Bengal Excise Act, and the fees paid for the right of vend of both imported and Indian-made foreign liquors and the pass fee realized on denatured spirit. The duty under the Tariff Act was credited to the Imperial Government (Customs). The duty on local manufacture was credited to the Provincial Government (Excise) and amounted in 1934-35 to Rs. 11,77 lakhs against Rs. 2·38 lakhs in 1912-13 and Rs. 11·37 lakhs in 1933-34. The total receipts from license fees of foreign liquors were Rs. 4·39 lakhs compared with Rs. 3·47 lakhs in 1912-13 and Rs. 4·26 lakhs in 1933-34.

125. *Vend arrangements.*—The vend arrangements and the method of imposition and collection of tax on licenses for vend of potable foreign liquor were revised from April 1922. The main features are:—

(*a*) The abolition of the previous classifications of "Wholesale" "Combined" and "Retail" foreign liquor licenses and the substitution in their place of a "License for sale to the trade"

and a "License for sale to the Public". Licenses for hotels, restaurants, cars and railway refreshment rooms were treated as "Licenses for sale to the public".

(*b*) All transactions between licensed dealers of foreign liquor either of Bengal or of any other province, had to be covered by a pass, and were conducted under a "Trade License".

(*c*) The license fee or license "tax" for sale to the "trade" was an annual fixed fee of Rs. 200 payable in advance and the tax for sale to the public was assessed every month at certain fixed rates on the quantity of liquor sold by "Public Licensees" to the public in Bengal in the preceding month.

The rates were:—

1. Re. 1-2-0 per bulk gallon of Brandy, Whisky, Gin and Rum.
2. Re. 0-6-0 „ „ „ of Beer, Ale, and Cider.
3. Re. 1-2-0 „ „ „ liquors.

From 1st January 1932, sales to the public in other provinces outside Bengal, were assessed at the rates quoted above, and the fees thus realised were shared in moiety with the following provinces, *viz.*, United Provinces, Assam, Central Provinces, the Punjab and Bihar and Orissa.

The minimum strength for sale of whisky, Brandy and Rum was 25° under proof of Gin 35° under proof.

No compounding or blending of foreign liquors was permitted, excepting on premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed vendors holding "Trade" licenses on payment of fixed fees per annum. In the process of compounding and blending of Brandy, Whisky, Gin and Rum in Bengal no spirit could be used except the following:—

(1) British Spirit.
(2) Indian Spirit.
(3) Scotch Whisky.
(4) French Brandy.

The bottling of foreign liquors was also permitted by such licensees under cover of a special license for which a fixed fee was charged.

126. *Number of licenses for the retail vend of portable foreign liquor, consumption and receipt from license fees.*—The total quantities of potable foreign liquors excluding medicated wines, sold to the public in Bengal by licensed dealers were as follows:—

	1922-23*.	1933-34.	1934-35.
	Imp. gal.	Impl. gal.	Imp. gal.
Spirits	125,011	142,432	140,373
Wines	44,196	23,087	23,208
Beer	292,364	462,893	491,944

*The figures of consumption of foreign liquor for 1912-13 have not been given. as they were not accurate. Figures of 1922-23 have been given as it was from this year only that licensed dealers of foreign liquor were required to furnish regular accounts of sales. The total receipts from license-fees of potable foreign liquors were 4·19 lakhs, against 4·08 lakhs in 1933-34 and 3·43 lakhs in 1912-13.

127. *Country rum.*—Indian-made rum and rectified spirits were supplied from Rossa in Shahjahanpur in United Provinces and from the local distilleries at Rossa and Bahir Mirzapur Road in Calcutta and from Asansol and Konnagar in the districts of Burdwan and Hooghly respectively. The total quantity of country rum and rectified spirits issued for potable purposes in the Presidency during the year was 30,105 proof gallons, of which 6,182 and 5,619 gallons were supplied from Rossa distillery and the rest from the local distilleries against 24,542 proof gallons in the preceding year. In 1912-13 the total quantity of rum and rectified spirits issued in the Presidency was 18,720 L. P. gallons.

128. *Country beer.*—No beer was brewed in the Presidency during the year under report. 19,947 gallons of beer (see statement II A) were however imported into Bengal from the Punjab on which duty at the rate of annas 12 per bulk gallon and (*minus* 10 per cent transit wastage) was paid in the province of export for subsequent adjustment by book-transfer. No special licenses were issued for the retail sale of beer.

129. *Denatured spirit.*—The limit of retail sale and ordinary private possession of denatured spirit by private individuals was one Imperial gallon, and passes were required for import, export and transport in excess of this quantity. Possession in excess of one gallon was allowed only to persons licensed to sell such spirit or to use it for industrial purposes. The limit of possession by a retail licensee was 60 gallons. The fees for wholesale and retail vend licenses were Rs. 50 and Rs. 5 respectively per annum. No fee was charged for possession of such spirit in large quantities for industrial or scientific purposes.

The ordinary denaturants prescribed were mixtures of light caotchoucine and pyridine (manufactured from mineral sources) in the proportion of ½ per cent of each. But in denaturing spirit required for use in industries for which the above denaturants were not suitable, other ingredients could be used with special sanction in each case and subject to suitable excise restrictions. The use of undenatured spirit in processes in which denaturation of any kind was disadvantageous to the product manufactured was also permitted, where necessary, subject to certain restrictions regarding control.

With effect from the 1st August 1933, a fee of 8 annas per bulk gallon or Re. 1 per dozen quart bottles was levied on import and transport of ordinary denatured spirit manufactured in Bengal or imported from overseas or other parts of India. Such fees yielded a revenue of Rs. 2,09,297.

One case of dilution of ordinary denatured spirit was reported during the year. Several cases of renaturation of denatured spirit by distillation after treating the spirit with some chemicals were detected during the year and the question of finding out a suitable denaturant which cannot be separated from the spirit has been engaging the attention of this department. License fees amounted to Rs. 9,120 against Rs. 8,725 in the preceding year and Rs. 2,823 in 1912-13. The total quantity of denatured spirit both ordinary and special passed out from the Calcutta Customs House and the Asansol Distillery in Bengal was 344,725 gallons, compared with 227,043 gallons in 1912-13 and 227,454 gallons in 1933-34.

130. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured was exempted from the provisions of the Excise Act, relating to possession or sale, provided it was

used as a scent and not as an intoxicant. But the manufacture of such perfumed spirit required an Excise license which was granted free of charge.

131. Rectified spirit can be sold wholesale by holders of foreign liquor "trade" licenses without any separate license. Foreign liquor "public licenses" did not cover the sale of such spirit. The issue of such spirit from a distillery or warehouse was prohibited except to licensed chemists or druggists, to persons specially permitted to obtain such spirit for medicinal, industrial or scientific purposes, or to persons holding licenses for the compounding and blending of foreign liquor. Chemists or druggists were licensed to sell rectified spirit, in retail quantities for medicinal, industrial or scientific purposes only. The fee for such licenses was Rs. 50 per annum.

Supplies of locally manufactured rectified spirit, at a special rate of duty were allowed to respectable chemists or druggists for the manufacture of spirituous medicinal preparations.

11.274 L. P. gallons of rectified spirit 58 L. P. gallons of absolute alcohol and 161 L. P. gallons of rum were issued duty free for Government purposes, to various institutions for scientific purposes and for use in some hospitals. In 1912-13 the quantity of rum and rectified spirit issued duty-free was 15,132 L. P. gallons and in 1933-34 12,660 proof gallons of rectified spirit, 60 L. P. gallons of absolute alcohol and 176 L. P. gallons of rum were issued duty-free.

Besides the above duty-free issues, 10,879 L. P. gallons of rectified spirit, 2,743 L. P. gallons of absolute alcohol and medicinal preparations containing 41,143 L. P. gallons of spirit were issued duty-free to charitable hospitals and dispensaries in the various provinces, while medicinal preparations and tinctures containing 71,583 L. P. gallons of spirit were sold by the various bonded manufactories, on payment of duty at Rs. 5 per L. P. gallon.

132. *Medicated Wines.*—Medicated wines and similar preparations containing foreign liquor were subjected to no Excise restrictions prior to 1906-07. Since that year, however, such preparations containing alcohol equivalent to 20 per cent but not more than 42 per cent of proof spirit can be sold only by (*a*) foreign liquor licensees or (*b*) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries who had been specially approved by the Collector and held a special license in that behalf. If the preparations in question contained alcohol equivalent to more than 42 per cent. of proof spirit, they could only be sold by foreign liquor licensees. Such preparations containing alcohol equivalent to less than 20 per cent proof spirit were exempted from Excise restrictions relating to sale.

133. *Sites of liquor shops.*—Sites of liquor shops were determined by Licensing Boards which functioned during the year in all the districts of the Presidency excepting the district of Darjeeling. Due deference was paid by these boards to the views of Municipal and other local bodies, and of large employers of labour. In the district of Darjeeling, where the local excise advisory committees continued to function, public opinion was similarly consulted in the matter of location of liquor shops. The President of a Board was empowered to give a casting vote and members were debarred from sending proxies to the meetings of the Board. In the district of Chittagong a representative of the Buddhist community was added as a member on the Excise Licensing Board.

134. *Excise Licensing Boards and Advisory Committees.*—The Licensing Boards exercised the powers of regulation of the number and location of premises for the retail sale of intoxicating liquors and drugs, and except in the district of Calcutta, the Boards were authorised to fix the hours of sale subject to certain restrictions. The members of the Licensing Boards were empowered to inspect the licensed premises.

135. *Work of Excise Licensing Boards and Advisory Committees.*—The Calcutta Board held two meetings during the year. It retained all the licenses of the previous year except those of 2 Foreign liquor "Off" and 2 Restaurant and sanctioned 1 combined drug (Ganja, Opium and Bhang) 1, combined drug (Ganja and Opium), 2 Bhang licenses, 2 Restaurant licenses, 2 Hotel licenses, 1 Bar in a restaurant and 1 Bar in a Cinema. The Board also approved the transfer of sites of 2 country spirit, 1 Tari, 2 Ganja and 1 Foreign liquor shop. They considered and rejected objections made against the sites of 1 Tari, 2 Drug and 1 Foreign liquor shop, 79 applications for new licenses were rejected.

The recommendations of the remaining Licensing Boards in the Presidency were accepted with the result noted below:—

Rejection of application.

1 Country Spirit, 1 Combined Opium, Siddhi and Charas,

1 Combined Ganja and Siddhi, 1 combined charas and bhang,

1 foreign liquor 'Off' 1 Bar in a restaurant and 2 new combined drug shops.

REJECTION OF OBJECTIONS AGAINST THE EXISTING SITES OF 3 COUNTRY SPIRIT AND 2 TARI SHOPS.

Abolition:—6 country spirit, 9 ganja, 6 tari, 1 foreign liquor, 'off', 1 combined opium and ganja and one combined country spirit and ganja shops.

Change of sites:—12 country spirit, 2 ganja, 2 opium, 23 tari, 16 pachwai, 4 combined opium and ganja, 1 combined country spirit and ganja, 1 combined drug shop and one combined ganja, bhang and opium shop.

New shops:—Three country spirit, 6 ganja, 3 opium, 5 tari, 5 pachwai, 11 bhang, 1 charas, 1 foreign liquor 'off', 6 combined ganja and opium, 1 combined bhang and opium, 2 combined ganja, bhang and opium and one combined country spirit and ganja shop.

Excise Advisory Committees:—These committees were in force in the district of Darjeeling. They proposed the removal of the sites of one country spirit and one pachwi shop. The proposals were sanctioned by this office.

136. *Any important or new legislation or resolution.*—There was no important or new legislation or resolution during the year except the following:—

The Opium (Bengal Amendment) Act, 1933 (Bengal Act V of 1933), came into force throughout the province except Darjeeling on 1st March 1934.

The Act was extended to Darjeeling with effect from 15th July 1935.

The Opium Smoking Act of 1932 (Bengal Act X of 1932) was enforced in Darjeeling with effect from 1st June 1935.

137. *Temperance movements.*—Reports about temperance work were received from Malda and Darjeeling. In the former district there was no organized temperance campaign, but attempts were made by various societies to induce the Santals to abandon their drinking habits and so improve their racial condition. In Darjeeling the Local Christian Missionaries and the Hillmen's Association devoted their attention to the cause of Temperance. The educated Hillmen began abstaining from over indulgence in liquor, but among the uneducated class no abstemiousness was noticed.

138. *Prosecutions and convictions.*—Including 565 cases pending in 1933-34, 12,642 cases were disposed of, of which 12,038, or 95·22 per cent. ended in conviction. The total number of persons arrested during the year was 14,331 compared with 15,338 in the preceding year and 3,401 in 1912-13. The number of persons convicted was 12,400 against 12,979 in 1933-34 and 3,016 in 1912-13 (*cf.* Statement IX), 3,231 persons were arrested for "illicit distillation" and 1,929 for "possession or sale of illicit country spirit" as compared with 4,537 and 2,221 respectively in the previous year.

The arrests for "unlicensed sale of duty paid country spirit" decreased from 12 to 11. The prosecutions for "illicit possession of duty paid country spirit" decreased from 17 to 8.

The prosecutions in connection with "tari" offences increased from 1,718 to 2,106. The offence was common amongst the tari drinking classes (especially the up-country people) of the Burdwan and Presidency divisions. The arrest for "Illicit manufacture, sale or possession of pachwai" decreased from 3,491 to 3,346. This offence was committed by the aborigines and semi-aborigines in the Burdwan Division and in the districts of 24-Parganas, Calcutta, Nadia and Dinajpur and by the hillmen of Darjeeling. In Jalpaiguri it was checked to a large extent by the administrative measure of issuing home-brew pachwai licenses to the tea garden coolies through the managers of tea gardens at the rate of Re. 1 per license.

139. *Administrative agency.*—The Excise Department in Bengal was re-organised and amalgamated with the Bengal Salt (Preventive) Department in April 1915. The Department was in charge of a Commissioner of Excise and Salt, and the staff included, 2 Deputy Commissioners of Excise and Salt, one of whom was in charge of Calcutta as Collector of Excise, 16 Superintendents of Excise and Salt, one Excise Prosecutor, 17 Inspectors of Excise and Salt of whom 11 held charge of districts as Inspectors of Excise in charge and 246 Sub-Inspectors of Excise and Salt besides petty officers and peons. The Superintendents of Excise and Salt and Inspectors of Excise and Salt in charge of districts were directly subordinate to the Collectors of the districts and carried on the Excise administration of the districts under their general supervision.

140. *Average total Excise revenue.*—Calculated on the population according to the census figures of 1931, the average total Excise revenue of the Bengal Presidency was 4 annas and 4 pies per head in 1934-35 (of which more than a half was derived from "liquors") as in the previous year. In 1912-13 the proportion of total Excise revenue to head of population was 4 annas 10 pies, of which nearly three-fifths were derived from "liquors".

CHAPTER V.

BURMA.

141. *Excise Revenue.*—The total Excise revenue for the year 1934-35 was Rs. 85·05 lakhs made up as follows:—

Heads.	Receipts (in lakhs of rupees).	Percentage of total Excise receipts.
1. Country spirit	5·62	6·6
2. Duty on wines and spirits locally produced and classed as foreign liquor	3·02	3·6
3. Tari	12·30	14·5
4. Other native fermented liquors	21·97	25·8
5. Duty on locally-brewed beer including licence fees for the sale of such liquor exclusively	1·29	1·5
6. Licence fees for the sale of imported liquors other than beer, medicated wines and commercial spirit excised at the tariff rate	2·85	3·4
7. Receipts from commercial spirits including denatured spirits and medicated wines	0·11	0·1
8. Opium and its preparations*	35·51	41·8
9. Fines, confiscations and Miscellaneous	2·40	2·8
10. *Deduct*—Refunds	0·02	0·1
Total	85·05	100·0

During the previous year, the total Excise revenue amounted to Rs. 80·14 lakhs. The revenue from liquor in 1934-35 represented 55·4 per cent. of the total Excise revenue against 54·5 per cent. in the previous year. In 1912-13, the total Excise revenue was 85·21 lakhs, and the revenue from liquor formed 50·4 per cent. of the total Excise revenue.

This memorandum is concerned only with the first seven items.

142. *Law regulating liquor traffic.*—The liquor traffic in Burma was regulated by the Burma Excise Act, 1917. In Upper Burma, the sale to Burmans of any intoxicating liquor other than *tari* was prohibited. There was no such restriction in Lower Burma.

Country Spirit.

143. *Meaning of the term "Country Spirit".*—The term "Country Spirit" in Burma includes spirit manufactured at outstills and plain spirit manufactured at licensed distilleries and intended for issue to a licensed vendor of country spirit. In 1934-35 there were two distilleries in Burma manufacturing country spirit. Spirit in the form of plain spirit was supplied from these distilleries to areas which had been brought under the distillery system. Spirit in the form of "foreign" spirit was also

* Excluding sale proceeds of confiscated opium, but including cost price of Excise opium at Rs. 18-5-0 per seer, which was omitted from the figures for 1912-13.

issued from these two distilleries. In both cases the spirit was manufactured from jaggery *tanyet* (unrefined palm sugar). From 1933-34 onwards there was also licensed a third distillery where spirit was manufactured from dates and raisins. This spirit was classed as "foreign" spirit. Issues in the form of country spirit were taxed at rates varying from Rs. 1-4-0 to Rs. 7-3-0 compared with Rs. 2-8-0 to Rs. 7 in 1912-13 per proof gallon. As high rates of duty combined with the low purchasing power of consumers were found to be giving such an impetus to illicit distillation as to threaten the breakdown of the Excise administration in several districts the rates of duty were reduced by approximately fifty per cent. in three districts in 1933-34. The experiment yielded satisfactory results and from 1st July 1934 the rates of duty were reduced in most of the remaining districts. Issues from distilleries in the form of foreign spirit were taxed at the rate of Rs. 17-8-0* per proof gallon. Spirit manufactured in other parts of India and imported into Burma were classed as 'foreign spirit' and taxed at Rs. 17-8-0 per proof gallon, if imported in bond. If Excise duty had already been paid in India, a different duty equal to the difference between the Excise duty already paid and Rs. 17-8-0 per proof gallon was charged. Nearly all imports were in bond.

144. *Contract Distillery System. Its introduction and gradual extension.*—In 1905, a central distillery minimum guarantee system on the lines of that formerly in force in Bombay was introduced as an experimental measure in the Toungoo District and in parts of Mergui, Thaton and Tavoy. Under this system, the three areas first named were supplied with uncoloured rum (classed as foreign spirit) from the distilleries at Toungoo and Moulmein, on payment of duty at Rs. 6 per proof gallon (the then tariff rate) while in the fourth area (Tavoy) the plain spirit produced in new distilleries established at Tavoy was classed as Country Spirit, and taxed at the rate of Rs. 4 per proof gallon. These arrangements were, however, not considered altogether satisfactory by the Government of India, and from the 1st November 1906 the Tavoy distillery was closed and the minimum guarantee system was replaced by the contract distillery system for the supply of spirit in areas in which the outstill system had formerly been in force.

The contract distillery system is modelled on the system in force in Madras (see paragraph 6) and was introduced in the first instance into parts of the Toungoo, Thaton, Amherst, Tavoy and Mergui districts. It has since been gradually extended into several other districts, and in 1934-35 there were 25 out of 36 districts in the province so served. Of the 21 districts in Lower Burma there was only one district in 1934-35 to which the contract distillery system had not yet been extended, while in Upper Burma, owing to the prohibition of the sale of any intoxicating liquor other than *tari* to Burmans under the existing Excise Rules, the contract distillery system has been extended cautiously only to those districts where there was an ascertained demand for distillery spirit from non-Burmans. There were five districts so served in Upper Burma in 1934-35.

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* For issue to troops and the Military Police, a special rate varying from Rs. 3-8-3 to Rs. 5-5-0 per proof gallon was fixed for distillery as well as non-distillery areas.

145. *Distribution of supply contracts and rates of supply.*—In 1934-35, contracts for supply of spirit to the 25 districts under the contract distillery system were distributed between the two working distilleries of the Province as follows:—

District.	Distillery to which allotted.	Period of contract.	Rate of supply per proof gallon. Rs. A. P.
Toungoo	Moulmein distillery	1 year from 1st July 1933	2 4 0
	,, ,,	1 year from 1st July 1934	2 4 0
Thaton	,, ,,	1 year from 1st July 1933	2 14 0
	For areas of direct supply	1 year from 1st July 1933	2 6 0
	Moulmein Distillery	1 year from 1st July 1934	2 10 0 2 12 0
Salween	,, ,,	1 year from 1st July 1933	2 14 0
	,, ,,	1 year from 1st July 1934	2 12 0
Amherst	,, ,,	1 year from 1st July 1933	2 14 0
	For areas of direct supply— Moulmein Distillery	Ditto	2 6 0
	Moulmein Distillery	1 year from 1st July 1934	2 12 0 2 10 0
	For areas of direct supply— Moulmein Distillery	Ditto	2 4 0
Tavoy	Moulmein Distillery	1 year from 1st July 1933	3 4 0
	,, ,,	1 year from 1st July 1934	3 0 0
Mergui.	,, ,,	1 year from 1st July 1933	3 4 0
	,, ,,	1 year from 1st July 1934	3 0 0 3 4 0 3 8 0
Magwe.	Mandalay Distillery	3 years from 1st July 1931	1 10 0
	,, ,,	1 year from 1st July 1934	1 14 0
Mandalay	,, ,,	3 years from 1st July 1931	1 10 0
	,, ,,	1 year from 1st July 1934	1 14 0
Myitkyina	,, ,,	3 years from 1st July 1931	2 8 0
	,, ,,	1 year from 1st July 1934	2 5 0
Bhamo	Moulmein Distillery	3 years from 1st July 1931	2 6 0
	Mandalay Distillery	1 year from 1st July 1934	2 8 0

District.	Distillery to which allotted.	Period of contract.	Rate of supply per proof gallon.
			Rs. A. P.
Katha . .	Moulmein Distillery .	3 years from 1st July 1931 . . .	2 6 0
			2 14 0
	Mandalay Distillery .	1 year from 1st July 1934 . . .	2 6 0
			2 10 0
Bassein . .	Mandalay Distillery .	3 years from 1st July 1931 . . .	2 0 0
	„ „ .	1 year from 1st July 1934 . . .	2 2 0
Henzada . .	Moulmein Distillery .	3 years from 1st July 1931 . . .	1 14 0
	Mandalay Distillery .	1 year from 1st July 1934 . . .	2 6 0
Maubin . .	Moulmein Distillery .	3 years from 1st July 1931 . . .	1 14 0
	Mandalay Distillery .	1 year from 1st July 1934 . . .	2 2 0
Pyapon . .	Moulmein Distillery .	3 years from 1st July 1931 . . .	1 14 0
	Mandalay Distillery .	1 year from 1st July 1934 . . .	2 2 0
Myaungmya .	Moulmein Distillery .	3 years from 1st July 1931 . . .	1 14 0
	Mandalay Distillery .	1 year from 1st July 1934 . . .	2 2 0
Rangoon Town .	Moulmein Distillery .	3 years from 1st July 1932 . . .	2 6 0
Insein . . .	„ „ .	Ditto .	2 6 0
Tharrawaddy .	„ „ .	Ditto .	2 6 0
Hanthawaddy .	„ „ .	Ditto .	2 6 0
Prome . .	Mandalay Distillery .	Ditto .	2 8 0
Pegu . . .	Mandalay Distillery .	1 year from 1st July 1933 . . .	2 6 0
	Moulmein Distillery .	1 year from 1st July 1934 . . .	2 4 0
			2 6 0 (through Kemmendine warehouse).
Akyab . .	Mandalay Distillery .	1 year from 1st July 1933 . . .	3 6 0
	„ „ .	1 year from 1st July 1934 . . .	3 0 0
Kyaukpyu . .	„ „ .	1 year from 1st July 1933 . . .	3 6 0
	„ „ .	1 year from 1st July 1934 . . .	3 1 0
Sandoway . .	„ „ .	1 year from 1st July 1933 . . .	3 12 0
	„ „ .	1 year from 1st July 1934 . . .	3 6 0

146. *Distribution of spirit and its retail sale. Issue strengths and rates of duty.*—Twenty-one bonded warehouses of which ten were situated in the Tenasserim Division, three in the Arakan Division, three in the Irrawaddy Division and one in Rangoon Town and four in the Sagaing Division, have been constructed for the distribution of spirit. There were 243 shops in 1934-35, an increase of 33 shops from the previous year, for its retail sale. The number of such shops was 98 in 1912-13. The majority of the shops were sold by auction and the others were disposed of by tender. A fixed issue strength of 40 degrees Under Proof was in force in all the districts in Lower Burma and in the Magwe District in Upper Burma, and the fixed issue strengths of 30 degrees Under Proof and 50 degrees Under Proof were in force in the Mandalay and Sagaing Divisions in 1934-35. As stated in paragraph 143 above, rates of duty were imposed equivalent to rates varying from Rs. 1-4-0 to Rs. 7-3-0 per proof gallon.

147. *Number and character of local distilleries.*—There were three distilleries licensed to work during the year 1934-35. The two old established distilleries at Mandalay and Moulmein manufactured both "foreign" spirit and country spirit. The new distillery opened at Insein for the manufacture of "foreign" spirit from dates and raisins worked only on a small scale. A Distillery Officer with a small guard was attached to each distillery and no spirit left the premises except under a pass signed by him. The distiller provided free quarters for this preventive establishment, and paid a fee of Rs. 50 for his licence. He could be called upon to deposit a sum, not exceeding Rs. 1,000 for the due fulfilment by him and his servants and agents of the provisions of the Excise Act and rules thereunder and of the conditions of the licence granted to him.

148. *Licences for the vend of "foreign" spirit produced at local distilleries.*—"Foreign" spirit produced at local distilleries was sold chiefly in shops licensed for the sale of foreign liquors generally. There were only two shops for the retail vend of locally manufactured "foreign' spirit exclusively. Wholesale licences for the sale of such spirit were issued at a fixed fee of Rs. 100 per annum while retail licences were disposed of by auction. In 1934-35, eight wholesale and two retail licences were issued for the sale of locally produced "foreign" spirit and the receipts therefrom amounted to Rs. 1,360. In 1912-13 nine wholesale and sixteen retail licences were issued and the receipts therefrom amounted to Rs. 0·23 lakhs. Owing to the high rate of duty imposed on imported spirits combined with the economic depression there was a tendency for "foreign" spirit manufactured in India and Burma to displace imported foreign spirit, and the duty realized increased from Rs. 2·40 lakhs in 1933-34 to Rs. 3·02 lakhs in 1934-35. In 1912-13 the duty realized was 1·65 lakhs.

149. *Issues, receipts and average taxation in distillery areas.*—The total issues of spirit from the local distilleries in 1934-35 amounted to 96,893 proof gallons, of which 67,901 gallons were issued on payment of duty at country spirit rates, 9,719 gallons on payment of duty at the foreign spirit rate, 16,912 gallons on payment of the special rates of duty fixed for issues to troops and the military police, and 884 gallons free of duty. One thousand four hundred and seventy nine gallons of rectified spirit also were issued to two firms of manufacturing chemists in Rangoon

at a privileged rate of duty of Rs. 5 per London Proof Gallon for manufacture of tinctures and other spirituous medicinal preparations. The total realisations from duty on these issues were Rs. 5·33 lakhs of which Rs. 2·83 lakhs represented duty on issues at "country spirit" rates. In the preceding year the total issues of spirit from the local distilleries were 71,323 proof gallons against 82,441 proof gallons in 1912-13. The total receipts from duty on these issues were Rs. 4·74 lakhs in 1933-34 and Rs. 4·09 lakhs in 1912-13. The licence fees realised in distillery areas in 1934-35 for the sale of spirit excised at "country spirit" rates were Rs. 2·68 lakhs. The average taxation thereon was Rs. 8-1-11 per proof gallon, of which Rs. 4-2-9 was realized from duty and Rs. 3-15-2 from vend fees. The average taxation per proof gallon on "country spirit" in distillery areas during the previous year amounted to *Rs. 5-7-10 (duty) and *Rs. 5-0-2 (vend fees) or *Rs. 10-8-0 in all, compared with Rs. 4-4-0 (duty) and Rs. 1-14-8 (vend fees) during the year 1912-13.

The average consumption of country spirit per 100 of the population in 1912-13, and 1933-34 and 1934-35 was 0·47, 0·35 and 0·51 proof gallon respectively. See Statement I.

Outstill Spirit.

150. The manufacture and sale of spirit under the outstill system was permitted only in remote places where there was an ascertained demand for such liquor, and where the shops could be constantly supervised by a magistrate or by an officer in charge of a police station or of a police outpost. The capacity of each still and the number of days in a week or month during which distillation was allowed, were fixed by the Collector or other officer disposing of the licence. Spirit was distilled from cane sugar, jaggery and *tanyet* (unrefined palm sugar) or rice. The privilege of manufacture and sale during 1934-35 was sold by auction.

151. *The number of outstills and shops and receipts therefrom.*—The number of outstill licences increased by one to five in 1934-35, there being two stills in Salween District, one in Amherst District, one in Insein District and a new still in Tavoy District. The licence for the Tavoy still was cancelled during the course of the year for breach of the conditions. The existing shops were estimated to serve a population of 51,116 persons over an area of 1,472·57 square miles. Each licence for the distillation of outstill spirit carried with it the privilege of retail sale of such spirit at the actual place of distillation. In 1912-13, there were 23 outstills at work in Burma, ten in the Arakan Division, three in the Pegu Division, nine in the Tenasserim Division and one in the Mandalay Division. For the percentage of area under, and population served by, the outstill system during the years 1912-13, 1933-34 and 1934-35, please see Statement V. The hill tribes residing in certain areas of the Tenasserim Division were exempt from some of the provisions of the law relating to country spirit. The receipts from outstills in the year 1934-35 amounted to Rs. 0·11 lakhs, the same as in 1933-34. In 1912-13, they were Rs. 0·60 lakhs.

* Revised figure.

Tari.

152. Licences for the retail vend of fermented *tari* are, as a rule, sold annually by auction; but they can also be sold for a term of years not exceeding five. The number of shops licenced in 1934-35 was 523 and the fees realized therefrom amounted to Rs. 12·30 lakhs. In 1933-34 the number of shops licensed for the retail vend of fermented *tari* was 510 against 712 in 1912-13, and the fees therefrom amounted to Rs. 11·27 lakhs against Rs. 7·21 lakhs in 1912-13.

INDIAN FERMENTED LIQUOR OTHER THAN TARI.

153. Under this description are included *Hlawzaye*, *Khaung*, *Kazawye*, *Seinye*, *Uye*, and *Pe-ye*. These are manufactured from rice, fermentation being procured by the use of yeast or other ferment.

The hill tribes within the Salween District and the Hill District of Arakan, and the Chins, Karens and Kachins inhabiting certain tracts were exempt from the provisions of the Excise Act relating to the manufacture of country fermented liquor. These people habitually manufacture such liquor from rice for domestic purposes on festive occasions, and the liquor is not generally sold to outsiders. Elsewhere, except in Rangoon Town and parts of Insein and Hanthawaddy Districts, vend licences were disposed of by auction. The licences included the right of manufacture as well as that of sale at the place of manufacture. In Rangoon Town and in parts of Insein and Hanthawaddy Districts a duty was imposed on the materials used in manufacture, at the rate of Rs. 4 per ten-gallon jar set up for fermentation. The licences were disposed of by calling for tenders. The duty realized in 1934-35 was Rs. 1·81 lakhs.

The number of licences issued in 1934-35 was 330 against 328 in the preceding year and 386 in the year 1912-13, and the total revenue including duty realised therefrom amounted to Rs. 21·97 lakhs against Rs. 20·56 lakhs in 1933-34 and Rs. 19·28 lakhs in the year 1912-13.

LOCALLY MANUFACTURED MALT LIQUOR.

154. Licences to construct, work and possess a brewery after the English method were granted with the sanction of the Local Government. There was only one such brewery in Burma in 1934-35, that of Messrs. Dyer Meakin and Company, at Mandalay. A fee of Rs. 100 was charged for the brewery licence and an additional fee of Rs. 100 for the right of wholesale vend to shopkeepers. A duty of Re. 0-8-0 per gallon was charged on the liquor manufactured in the brewery, on a calculation of 54 gallons per hogshead. The quantity of beer issued for consumption in Burma in 1934-35 amounted to 186,848 gallons against 184,873 gallons in the preceding year and 241,449 gallons in the year 1912-13 and the duty realised during these years was Rs. 0·94 lakhs, Rs. 0·81 lakhs and Rs. 0·45 lakhs, respectively.

155. *Vend.*—Retail licences for the sale of locally manufactured malt liquor exclusively were granted, either by auction or at the fees fixed by the Excise Commissioner. Such liquor could also be sold under general foreign liquor licences. Wholesale licences for the sale of locally manufactured malt liquor like those for similar sale of locally distilled spirit,

were issued at a fixed fee of Rs. 100 per annum. Fifty-five retail and six wholesale licences were issued in 1934-35 and the fees realised therefrom amounted to Rs. 0·35 lakhs. In 1933-34, 41 retail and 2 wholesale licences were issued and the fees amounted to Rs. 0·26 lakhs. In 1912-13, 24 retail and 9 wholesale licences were issued and the fees realized amounted to Rs. 0·21 lakhs.

Imported Liquors.

156. The Excise revenue on these was derived, as elsewhere, only from fees for the right of vend. Licences of the following kinds for the sale of imported liquors were granted on payment of the fixed fees specified against each:—

	Lower Burma	Upper Burma
	Rs. per annum.	Rs. per annum.
1. Wholesale licence	750*	250
2. General Shopkeeper's licence for consumption off the premises	1,000†	500
3. Hotel licence	100‡	100
4. Bar and Refreshment Room licence	500§	500
5. Proprietary Club licence	250	250
6. Railway Refreshment Room licence	100‡	100
7. Steamer licence (*a*) Inland (*b*) Interport	50	50
8. Dining Car licence	Rs. 25 to Rs. 100 as fixed by the Commissioner of the Division in each case.	

Retail licences for the general sale of both imported and locally produced spirit and fermented liquors were sold by auction in 1934-35. In that year, 42 wholesale and 172 retail licences were issued for the sale of such liquors. In the year 1912-13, the corresponding figures were 51 and 173 and, in 1933-34, 31 and 179 respectively.

The licence fees realised for the sale of foreign liquors of all kinds amounted to Rs. 2·85 lakhs in the year under report compared with Rs. 3·22 lakhs in the preceding year and Rs. 9·77 lakhs in the year 1912-13.

Denatured Spirit.

157. Licences for the vend of denatured spirit increased from 286 in 1933-34 to 336 in 1934-35. There were 89 such licences in the year 1912-13. During 1934-35, 52,246 gallons were imported or denatured in bond after importation as against 51,574 gallons in 1933-34. In addition to imports from abroad, 44,371 gallons of denatured spirit were imported coastwise

*In Rangoon Rs. 1,000 was fixed.

†In Rangoon Rs. 4,000; in Mandalay Rs. 1,000 and in Yenangyaung and Chauk Rs. 2,000 were fixed.

‡In Rangoon Rs. 500 was fixed.

In§ Rangoon Rs. 1,500 was fixed.

from India. During the year no instance of the use of methylated spirit for human consumption was brought to notice. There were no issues of denatured spirit from Burma distilleries. Licence fees were Rs. 25 in Rangoon, Rs. 5 in the rest of Lower Burma and in Mandalay Town and Yenangyaung, and Re. 1 elsewhere and the revenue derived therefrom in 1934-35 was Rs. 2,164.

Rectified Spirit and Medicated Wines.

158. The number of licences issued for the vend of rectified spirit and medicated wines was 97 in 1934-35 against 96 in 1933-34. Licences were issued, in a few cases, to general dealers who were not pharmacists, the previous restriction confining sales to pharmacists, having been removed in 1924.

The Mandalay distillery supplied 867·88 London Proof gallons of rectified spirit, duty free, to the Officer-in-charge of the Army Medical Stores Depôt, the Rangoon Arsenal and other institutions. The Moulmein Distillery issued 15·67 London Proof gallons of rectified spirit, duty free for research purposes at the Mudon Agricultural Farm.

Imports of rectified spirits from other Provinces amounted to 254·5 London Proof gallons, on which a duty of Rs. 177 was realized and credited to Excise revenue in 1934-35. Licence fees from rectified spirits and medicated wines amounted to Rs. 3,063 in 1934-35.

General.

159. It is provided in the Excise Act that in prosecutions under certain sections it may be presumed, until the contrary is proved, that the accused person has committed an offence under the section under which he is charged in respect of—

(*a*) any excisable article or any apparatus for administering any intoxicating drug or for the manufacture of any excisable article; or

(*b*) any materials which have undergone any process towards the manufacture of an excisable article, or from which an excisable article has been manufactured for the possession of which he is unable to account satisfactorily.

Under Section 16 (1) of the Act, the Local Government may by notification prescribe a limit of quantity for possession of any excisable article. Further, no person shall have in his possession any quantity of any excisable article in excess of the limit prescribed under sub-section (1), except under the authority and in accordance with the terms and conditions of—

(*a*) a licence for the manufacture, cultivation, collection, sale or supply of such article, or

(*b*) a permit granted by the Collector in that behalf.

In exercise of powers conferred by this section, the Local Government by Notification No. 77, dated the 18th September 1917 has prescribed the quantity entered in column 2 of the following table against each excisable article entered in column 1 as the limit, in excess of which no person shall

possess such excisable article, save as provided by sub-section (2) of section 16:—

(1)	(2)
(1) Country alcoholic liquor other than spirit and tari.	Four reputed quart bottles.
(2) Spirit included within the definition of country alcoholic liquor.	One reputed quart bottle.
(3) Foreign alcoholic liquor . . .	Two imperial gallons or 12 reputed quart bottles.

In Prome and Tharrawaddy Districts, the limit of possession for country fermented liquor other than *tari* was one reputed quart bottle, and in Thayetmyo and Rangoon it was two reputed quarts. In Thayetmyo District and in some parts of the Sandoway and Mergui Districts the limit of possession for *tari* has been fixed at two reputed quarts and in part of Thaton District at one reputed quart. But under section 17 of the Act no person could have in his possession any quantity of any excisable article knowing the same to have been unlawfully imported, transported, manufactured, cultivated or collected or knowing the prescribed duty not to have been paid thereon. If, therefore, any person had in his possession even less than the quantity allowed by the notification referred to, or any excisable article which he knew to have been unlawfully imported, transported, manufactured, cultivated or collected, or not to have had the prescribed duty paid thereon, he committed or abetted the commission of an offence punishable under either section 30 or section 37 of the Act, and under Section 44, the burden of proof was imposed on him of accounting satisfactorily for his possession of any quantity of such excisable articles.

160. *Changes introduced or under consideration, and important debates in the Legislative Council on Excise matters.*—(1) The Excise Rules relating to the Local Advisory Committees were revised during the year 1925-26 so as to provide that recommendations of Committees regarding the maximum and minimum number of licences shall not be over-ruled without reference to the Local Government.

(2) The rate of Excise duty on foreign spirit manufactured in a distillery in Burma was reduced to Rs. 17-8-0 per London Proof gallon with effect from 1st May 1926 in order to enable such spirit to compete with cheap foreign liquors such as Java rum and French brandy.

(3) On the 6th August 1929 a resolution was moved in the Burma Legislative Council to form a Provincial Excise Board to regulate the sale of liquor, opium and any other deleterious drugs and to fix the number and location of shops. After a long discussion the motion was put to the House and lost, 40 voting for it and 48 against it.

(4) On the 10th December 1929, another resolution was moved for the prohibition of intoxicating drinks in Kyaukse District. After discussion the motion was put to the House and lost, 38 voting for it and 41 against it.

No important debates on Excise matters took place in the Legislative Council in 1934-35.

161. *Convictions and offences in connection with alcoholic liquor and important seizures.*—In 1934-35, the number of persons arrested for offences in connection with alcoholic liquor rose from 8,717 to 9,219 and of those

convicted from 7,198 to 7,675 and the percentage of convictions to arrests remained at 83 the same as in the previous year. In 1912-13, the total arrests for all offences (against Excise and Opium laws) and the number of convictions amounted to 10,916 and 8,866 respectively. The percentage of convictions to arrests during 1912-13 was 81. There was increased activity in several districts. The biggest individual seizure was reported from Pegu, *viz.*, 1,364 quarts of *seinye* together with stills. Convictions for drunkenness in Urban areas rose by 114 to 1,146 during the year of report. In Rangoon Town the number of convictions for drunkenness rose by 17 to 225 and, in Mandalay Town, by 49 to 105.

The total seizures of all kinds of illicit liquor in the Province in 1934-35 amounted to 58,091 gallons compared with 39,987 gallons in 1933-34. In Rangoon Town, the total seizures were 2,853 gallons in 1933-34 against 3,369 in 1933-34 but the number of convictions rose from 556 to 581.

Location of shops.

162. The position of each town or village shop was determined by the local officers and was fixed, as far as possible, at the time of the sale of the licences. In non-Municipal areas, a notice inviting objections to a new shop had to be published before the shop was established, and any objections received were, if not accepted, referred to the Divisional Commissioner. In Burma, all Municipal and Town Committees were constituted Excise Advisory Committees, and such Committees examined proposals on which orders were passed by the Excise Commissioner as to the maximum and minimum number of licences to be issued within the Municipality. If the Excise Commissioner was not prepared to accept the recommendations of the Committee, the matter had to be referred to the Local Government for orders. These Committees also examined the location of existing and proposed shops.

Achievements of Excise Advisory Committees and the Temperance Movements.

163. The three years' programmes for the maximum and minimum number of licences of each kind to be issued within Municipalities and Towns were sanctioned for three years beginning from 1934-35. The Municipal and Town Committees for urban areas and village elders for rural areas were consulted, as usual, regarding the location of existing and proposed shops. In one or two instances Advisory Committees have for several years past declined to tender advice on the ground that their advice had not been accepted. There is no real justification for this attitude, for although the advice of the Advisory Committee is not accepted in every case it is always given due weight in arriving at a decision.

Administrative Agency.

164. The Excise revenue was formerly under the direct control of the Financial Commissioner, but the appointment of a Commissioner of Excise was sanctioned in 1905-06. The Financial Commissioner's connection with the Excise Administration ceased with effect from 1st May 1927, in consequence of the coming into force of Burma Act I of 1927, and the Excise Commissioner is now directly under the Ministry of Forests. The

local administration rested with the District Officers, under the supervision of Divisional Commissioners, and in most districts there was an officer subordinate to the Deputy Commissioner in special charge of Excise matters who was designated Superintendent of Excise. In addition to the distillery establishments and Resident Excise Officers in charge of the Government Opium Shops, there was a large special preventive staff employed mainly for the purpose of dealing with smuggling and other illicit practices in connection with opium, etc. To supervise this staff there was a central controlling officer, who was desginated Chief Superintendent of Excise.

Incidence of Excise Revenue per head.

165. Calculated on the census returns of 1931 the average total excise revenue per head of the population in 1934-35 was Re. 0-10-5 of which nearly 55·4 per cent. was derived from liquors. The incidence of total excise revenue per head of the population during the preceding year amounted to Re. 0-9-9 against Re. 0-13-3 in 1912-13. In 1912-13, the receipts from liquor represented about 50 per cent. of the total Excise revenue.

CHAPTER VI.

BIHAR AND ORISSA.

166. *Excise revenue.*—The gross excise revenue for 1934-35 was Rs. 139·53 lakhs, and was realised under the following main heads:—

Heads.	Revenue (in lakhs of rupees).	Percentage of total Excise.
1. Country spirit	61·32	43·9
2. Country fermented liquors (tari and pachwai)	26·67	19·1
3. Foreign liquor	1·48	1·1
4. Opium and its preparations . . .	24·41	17·5
5. Hemp drugs	24·47	17·6
6. Miscellaneous	1·18	·8
Total .	139·53	100·0

In 1933-34 the gross excise revenue amounted to Rs. 123·87 lakhs and the receipts from liquors bore a percentage of 60·3 to it. In 1912-13 the gross excise revenue was Rs. 104·01 lakhs, and the revenue from liquors represented about 66 per cent of this revenue.

In 1933-34 the revenue from country spirit and its percentage to the total excise revenue was Rs. 49·02 lakhs and 39·5 respectively, against Rs. 54·07 lakhs and 52·0 respectively in 1912-13.

This Memorandum is concerned only with the first three items of the table above.

167. *Law regulating liquor traffic.*—The liquor traffic in Bihar and Orissa was regulated by the Bihar and Orissa Excise Act II of 1915, and the Bihar and Orissa Excise Amending Act of 1928.

Country spirit.

168. *Definition of country spirit.*—In Bihar and Orissa the expression "country spirit" meant plain spirit which had been made in British India from materials locally recognised as basis for country spirit, namely *mohua*, rice, *gur* or molasses and on which duty had not been imposed at the rate fixed for the importation of spirit into British India.

169. *System under which country spirit revenue was realised.*—The manufacture and sale of country spirit were carried on under two systems, namely, the outstill system and the contract supply system. The revenue contributed by such systems in the years 1912-13, 1933-34 and 1934-35 is shown below:—

(In lakhs of rupees.)

	1912-13.	1933-34.	1934-35.
From outstills	16·11	16·11	28·38
Under contract supply system .	37·96	32·91	32·94

170. *Description and extent of the outstill system.*—Under the outstill system a single license covers the manufacture (by primitive Indian methods) and sale of country spirit, the produce of a single still, at a fixed

place. The localities where such manufacture and sale can be allowed are determined beforehand. Under Section II of the Bihar and Orissa Act II of 1915, the transport of outstill liquor into areas where distillery liquor is sold is prohibited, and any attempt to bring outstill liquor into these areas is punishable under section 47 of the Act. No outstill is allowed within five miles of a distillery area.

The right of working the still and selling its outturn (the "license") was auctioned in 1934-35 by the Collector, subject to a reserved fee calculated on the estimated local demand on and outturn of the shop and on the license fees of the preceding years. The Collector could, however, in order to prevent monopoly or combination or for other sufficient cause, refuse to accept the highest or any other bid. No attempt was made under the outstill system to supervise the processes of distillation or to control sale prices, or to regulate taxation on liquor according to its strength or the quantity consumed, except in a very indirect manner. The capacity of the still to be worked in any outstill was defined in the license for that outstill, and this served to fix to some extent a maximum quantity to be manufactured. An increase in the still capacity could be sanctioned for adequate reasons by the Collector. The license did not confer a monopoly of sale over any definite area; but that result was practically attained by the fact that shops were licensed at suitable distances from one another, the general rule being that no two outstills should be within five miles of each other.

This system was found necessary in thinly populated, *jungly*, or comparatively inaccessible tracts, which could not be supplied properly by distilleries or warehouses under the contract system, and in these parts of the country where special facilities existed for illicit distillation from *mohua* (*Bassia latifolia*) or for smuggling cheap liquor from foreign territory. In 1912-13 the areas under the outstill system were Palamau and Singhbhum and the major portions of Hazaribagh and Ranchi in the Chota Nagpur division, Angul and part of Sambalpur in the Orissa division, the Rohtas plateau (with a small tract adjoining it) in the Shahabad district of the Patna division, and the district of Champaran (except a small area in the Bettiah sub-division) and the Sitamarhi sub-division of Muzaffarpur in the Tirhut division.

The areas remaining under the outstill system in 1934-35 were the whole of the districts of Angul, Hazaribagh and Palamau and in small areas in Shahabad, Champaran, Cuttack and Puri and in large areas in the districts of Gaya, Monghyr, Bhagalpur, the Santal Parganas, Sambalpur, Ranchi, Manbhum and Singhbhum. For the area and the population served by and the revenue realised from the outstill system during the years 1912-13, 1933-34 and 1934-35 see Statements V and VII.

171. *Contract supply system.*—In the rest of the province, except the Khondmals sub-division of the Angul district and the greater portions of the Kolhan Estate in the Singhbhum district where no country spirit was allowed to be manufactured or sold, the contract supply system was in force. Under this system the monopoly of the supply of country spirit within a specified area or areas is granted under a contract, the contractor supplying the spirit, from specified places at prescribed rates of excise duty and wholesale prices, to licensed retail vendors only. The monopolies of supply are granted and the wholesale prices (usually described as cost price) are fixed, after examination of tenders invited for the purpose, usually every three years.

172. *Manufacture and supply of country spirit under the above system.*—The manufacture of spirit in contract supply areas was carried on in private distilleries which could be situated either within or outside the province. Every distillery in the province was under the supervision of an Excise officer with a small establishment as guard. With effect from the 1st April 1916, the distillers had been exempted from paying the costs of establishments maintained at the distilleries while on the other hand, they had to pay rent instead of only charges for repairs of buildings owned by Government. They were also required to provide residential quarters for the distillery and the warehouse staff.

There were five distilleries at work in 1934-35 all owned and worked by private licensees. In 1912-13, there were 11 distilleries at work, four owned by private persons and seven in Government premises. In 1934-35 spirit manufactured at the five distilleries was wholly consumed within the province.

Spirit manufactured at the distilleries was conveyed to and stored in warehouses, built either by Government or by the distilling contractors, and situated at suitable places within the supply areas; warehouses were also attached to two distilleries. The spirit was conveyed under bond, and duty was levied on it only when it left the warehouse on the requisition of a retail vendor. Each warehouse was in charge of a Government officer who supervised all operations in the warehouse.

The number of bonded warehouses in the province in 1934-35 was 65, all of which were fed by the distilleries in Bihar and Orissa mentioned above. These warehouses were covered by 21 wholesale licenses for the wholesale sale of country spirit, shown in column 6 of Imperial Table No. III in the Provincial Excise Administration Report for 1934-35. The licenses in question were held by the distillers in all cases. In 1912-13, there were 85 bonded warehouses in the province, out of which 26 were fed by a distillery situated outside the province. These 85 warehouses were covered by 26 wholesale licenses for the wholesale sale of country spirit to retail vendors.

Within the contract areas the strengths at which country spirit could be sold retail were fixed; maximum prices above which spirit could not be sold were also prescribed, except for the areas where the retail prices were fixed under the sliding scale system. Dilution in shops was prohibited, except when specially permitted by the Commissioner of Excise; such permission was granted only for the reduction of particular strengths to specified weaker strengths. Contractors for wholesale supply were not allowed to hold any retail country spirit shops within the areas of their contracts or within seven miles thereof.

173. *Strengths of issue and rates of duty in force.*—The standard strengths at which spirit was issued from distilleries and warehouses, and at which it could be sold by the retail vendors to the public, ranged in 1934-35 from 25° to 85° under proof. In 1912-13, the standard strengths at which spirit could be retailed ranged from 25° to 85° U. P. also. Calculated in terms of proof, the duty varied from Re. 0-15-0 to Rs. 6-9-6 per gallon in 1934-35 and Rs. 1-9-0 to Rs. 3-2-0 per gallon (except in small area where it was Rs. 3-12-0 per L. P. gallon) in the year 1912-13.

174. *Retail vend arrangements.*—In the distillery areas except the Jamshedpur area in the district of Singhbhum the right of retail vend was disposed of by separate shops, each of which was put up to auction, subject

to reserved fees calculated on the basis of the average monthly sale and the margin for gross profit, left after meeting from the maximum retail price prescribed, the aggregate of duty, cost price and reasonable shop expenses. The Collector tried to settle the shops at fees at which it was possible to work them without loss. In the Jamshedpur area, licenses were settled without auction at fees fixed automatically in accordance with a sliding scale sanctioned by the Commissioner of Excise. Under this system license fees were fixed on the basis of consumption after deducting the amount of duty, cost price and shop expenses as well as a fair margin of profit to the vendors. The retail vendors were bound to procure their spirit from a warehouse maintained by the wholesale contractor for the area. Issues to retail vendors in quantities of less than a gallon at a time were not permitted. The number of shops licensed to sell by retail country spirit in distillery areas was 1,084 against 1,125 in 1933-34 and 1,512 in 1912-13. For the number of licenses for retail sale of country spirit in contract and outstill areas, see Statement III.

175. *Consumption and average taxation.*—The country spirit revenue for 1934-35 in distillery areas was Rs. 32·94 lakhs of which Rs. 19·30 lakhs were contributed by duty and Rs. 13·64 lakhs by vend fees. In 1933-34 the total revenue from country spirit in distillery areas amounted to Rs. 32·91 against Rs. 37·96 lakhs in 1912-13. The consumption of distillery liquor during the year under review amounted to 613,342 proof gallons against 504,233 proof gallons in the preceding year and 1,157,636 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in 1934-35 in the province as a whole was 2·19 proof gallons against 1·66 proof gallons in 1933-34 and 3·36 proof gallons in 1912-13. The average taxation per proof gallon in 1934-35 was (Rs. 5-5-11 of which Rs. 3-2-5 were derived from duty and Rs. 2-3-6 from vend fees) compared with Rs. 6-8-3 (Rs. 3-13-3 from duty and Rs. 2-11-0 from vend fees) in 1933-34 and Rs. 3-4-6 (Rs. 1-15-8 from duty and Rs. 1-4-10 from vend fees) in 1912-13.

Country fermented liquors.

176. *Tari.*—Tari is the sap of the palm tree, and is used either freshly drawn from the tree or after fermentation. Palmyra and date are the principle varieties of the palm trees from which tari is drawn. Licenses to sell fresh tari were issued in 1934-35 on payment of a fixed fee not exceeding Rs. 5 per license, for the season. The revenue from fermented tari was derived from shop licenses and from tree tax. In 1934-35 the tree tax system was in force in the whole of the districts of Patna, Gaya, Saran, Monghyr, Muzaffarpur and Darbhanga and in portions of the districts of Shahabad, Champaran and Bhagalpur. This system consisted of the levy of a tax on each tree tapped in addition to vend license fees for each shop which were imposed to place the different shops on an equal footing and which in a few cases were settled by auction. The rate of tree tax was Rs. 3 per palmyra and Rs. 1-4-0 per date tree except in the district of Shahabad where it was fixed at Rs. 2-8-0 per palmyra tree and in the Banka sub-division of Bhagalpur district where it was fixed at Rs. 2 per palmyra and Re. 1 per date tree. In the districts of Champaran, Muzaffarpur and Darbhanga the rate per palmyra tree in Basanti season (from October to March) was reduced to Rs. 2. Of the total revenue of Rs. 24,87,123 derived from tari in 1934-35 a sum of Rs. 39 only was derived from fresh tari, Rs. 19,06,540 from tree tax and Rs. 1,383 from rent.

of tari trees, either owned by the Government or over which the Government had the right of taxation, the balance was realised from licenses for the sale of fermented tari. In 1933-34, the total revenue derived from tari amounted to Rs. 22·43 lakhs against 12·66 lakhs in the year 1912-13.

177. *Pachwai.*—Pachwai otherwise called 'handia' is a fermented liquor brewed generally from rice, mohua or other grain. It is drunk chiefly by aboriginal tribes; and is valued both as a stimulant and as a food. It is a favourite drink in the Chota Nagpur division and the Santal Parganas and with aboriginal tribes in parts of Champaran, Bhagalpur, Purnea, Sambalpur and Balasore.

The bulk (Rs. 1·76 lakhs out of Rs. 1·80 lakhs) of the revenue under this head was derived from licenses for manufacture and retail sale, which were disposed of by auction, the number and sites of the shops being previously fixed. In 1934-35 retail shops were confined to the districts of Monghyr, the Santal Parganas, Balasore, Sambalpur, Hazaribagh, Ranchi, Palamau, Manbhum and Singhbhum, and their number was 462 against 408 in the preceding year and 355 in 1912-13. These licenses did not include home-brewing licenses, the number of which issued during the year was 3,647, against 3,526 in the preceding year.

178. *Special concessions in backward area.*—Free home-brewing of pachwai for home consumption was permitted at all seasons of the year and without any restriction of quantity in the Santal Parganas and to aboriginal tribes only in the districts of Hazaribagh, Ranchi (except the municipal limits of Ranchi and Lohardaga and the notified area of Doranda and the Union Board areas of Bundu and Gumla), Palamau, Manbhum (except in five thanas in Dhanbad sub-division) and Singbhum (except the Jamshedpur area) and also in the Banka sub-division of the Bhagalpur district. Home-brewing for domestic consumption without license was prohibited in the remaining areas of the province. In the districts of Champaran, Bhagalpur, Purnea and Balasore, the home-brewing of pachwai for domestic consumption only was allowed under cover of annual licenses granted to householders and subject to maximum limits of possession; the limits were in Champaran, Bhagalpur and Purnea 4 seers undiluted or 12 seers diluted. In Champaran home-brewing without limit for domestic consumption only was allowed under licenses granted to a village. The Collectors of Bhagalpur and Purnea were authorised to allow license holders to brew without limit during certain days to be prescribed by the Collectors in areas in which they are satisfied that it was required on account of the Bandhana festival.

179. *Special occasions licenses.*—Special licenses could also be issued to any person on payment of a fee of annas 8 on occasions such as marriages festivals, &c.. for the manufacture of pachwai for domestic consumption up to such limit as the officers granting the license considered reasonable. No limit was fixed in the district of Champaran. The officers empowered to grant such licenses were the Collector, Excise Superintendent, Sub-Divisional Officer or other officer empowered by the Collector. The license conferred no right to sell or barter any portion of the liquor covered by it.

The officers mentioned above could also, on special occasions, grant temporary permits for the possession of more than 4 seers of diluted pachwai (more than 8 seers of undiluted or half a maund of diluted pachwai in the district of Sambalpur) up to such limit as they considered reasonable, to be purchased from a licensed vendor. These permits, however, conferred no right to sell or barter any portion of the liquor covered by them.

FOREIGN LIQUORS.

180. *Definition of foreign liquors.*—The expression foreign liquor has been defined to include imported liquors of all sorts, beer and other liquors manufactured in India which are sophisticated or compounded so as to resemble in colour or flavour whisky, brandy, gin or rum, or are made from special bases (such as malt or toddy) which are not recognised as basis for the manufacture of country spirit (*vide* paragraph 167 above) or are taxed at the tariff rates; also denatured and perfumed spirits used in drugs, medicines or chemicals.

181. *Classification of revenue.*—The revenue from imported liquors consisted of the duty levied under the Indian Tariff Act, 1894, as subsequently amended and fees paid for the right of vend. The former was credited to Customs revenue, and the latter to Excise. The Duty on locally manufactured "foreign liquor" was also credited to Excise; but no such liquor was manufactured in the province during 1934-35. (The India-made foreign liquor was imported into this province from the distilleries and wholesale vendors of Bengal, from the United Provinces distilleries and warehouses, and from the Punjab breweries). The total amount of revenue realized in 1934-35 from foreign liquor of all sorts was Rs. 1·48 lakhs compared with Rs. 1·04 lakhs in the preceding year and Rs. 0·33 lakh in the year 1912-13.

182. *Vend arrangements.*—Licenses for the sale of foreign liquors were chiefly of three kinds, *viz.*, (1) wholesale, (2) retail "off" (*i.e.*, permitting sale for consumption off the premises only and in quantities of not less than one pint bottle) and (3) retail "on and off". Apart from these there were also various special licenses for the sale of such liquors, *e.g.*, 'steamer' 'dining car', 'railway refreshment room', 'dak bungalow', 'hotel'. 'restaurant' or 'bar', 'late closing', 'denatured and rectified spirits' and 'medicated wines' licenses. The total number of licenses for retail sale of potable foreign liquors (imported) during the year under review was 208 against 206 in the preceding year and 125 in the year 1912-13. For the quantities of liquor sold under these licenses, see Statement II.

The fee for a wholesale license was fixed by the Excise Commissioner, subject to a minimum of Rs. 24 per annum. Retail 'off' licenses were granted on payment of fees fixed with reference to past transactions. The number of retail 'on and off' licenses, which were ordinarily settled by auction was kept within the narrowed possible limits and the licenses were granted only in localities where there was a considerable population accustomed to foreign liquor. The special licenses referred to above were granted on payment of fixed fees determined by the Board of Revenue or the Excise Commissioner. In the case of hotel and restaurant licenses a minimum fee of Rs. 100 per annum was prescribed. The sale of whisky, brandy and rum by foreign liquor licensees at a strength lower than 25° under proof and of gin at a strength lower than 35° under proof was prohibited.

No compounding or blending of foreign liquors was permitted except on premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed wholesale vendors of foreign liquors on payment of a fee of Rs. 300 per annum. The bottling of liquors was also permitted by wholesale licensees under cover of a special license, for which a separate fee of Rs. 12 per annum was charged.

Premises for the sale of "foreign liquor" were required to be kept entirely separate from shops for the sale of country liquor, and the grant of foreign liquor licenses to country spirit vendors was, as far as possible, avoided.

183. *Country rum and beer, and other potable foreign liquors made in India.*—There were no breweries in the Province, nor were foreign liquors manufactured in any of the distilleries. No special licenses were issued for the retail sale of country rum, country beer or other potable foreign liquors manufactured in India, which are generally sold along with other imported liquors. For the quantities of beer imported into this province from other provinces, see Statement II (*a*).

184. *Denatured spirit.*—The limit of retail sale of denatured spirit and its ordinary possession by private individuals was fixed at one Imperial gallon, and passes were required for its import, export and transport in excess of that quantity. Possession in excess of the same quantity was allowed only to persons specially licensed to sell such spirit or to use it for business purposes. A retail licensee was not allowed to possess such spirit in quantities exceeding 60 gallons at a time, while persons using it for industrial purposes were allowed to possess it only up to such quantities as were specified by the Collector in such cases. The fees payable for wholesale and retail vend licenses and for the possession of denatured spirit in excess of the limit of retail sale were Rs. 50, Rs. 5 and Rs. 2 per annum, respectively. Four licenses for the manufacture of denatured spirit were granted to the proprietors of four private distilleries at Mankatha, Marhourah, Ranchi and Manpur during the year. There was a stock of 7,890 bulk gallons of denatured spirit out of the quantity manufactured in the preceding year in the beginning of the year under report. 82,958 bulk gallons were manufactured and 69,448 bulk gallons were issued during the year. This quantity of denatured spirit issued represented but a small proportion of the total quantity used in the province; many of the licensees obtaining their supplies from Calcutta and Asansole. The total quantity of denatured spirit sold was 31,927 gallons against 27,292 gallons in 1933-34 and 968 gallons in 1912-13. The use of denatured spirit steadily increased. Its use as an intoxicant was not suspected in any district. 428 licenses for retail sale and 67 licenses for its possession in excess of the ordinary limit were issued in 1934-35, against 410 and 70 respectively, in 1933-34 and 59 and 7 respectively, in 1912-13. The revenue from license fees amounted to Rs. 16,374 against Rs. 13,995 in the preceding year and Rs. 399 in the year 1912-13. The ordinary denaturants prescribed by the rules were a mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of ½ per cent of each; but in the case of denatured spirit required for use in industries for which the above denaturants were not suitable, other special ingredients could be used with the sanction of the Board of Revenue in each case and subject to suitable excise restrictions.

185. *Perfumed spirit.*—Perfumed spirit when manufactured from duty-paid foreign liquor that had not been denatured, was not subject to any restrictions relating to possession and sale. But the manufacture of such spirit required a license, which was granted free of charge. No such license was issued during 1934-35.

186. *Rectified spirit.*—Rectified spirit could be sold wholesale by holders of wholesale foreign liquor licenses without any separate license. Holders of retail foreign liquor licenses were, however, prohibited from selling such spirit under these licenses. No license for the manufacture of rectified spirit was issued in the province during the year. Licensed chemists or druggists could sell rectified spirit in retail quantities for medicinal, industrial and scientific purposes only. The fee for such a license was Re. 1 in case of sale up to 4 gallons and Rs. 10 for sale above this quantity.

187. *Medicated wines.*—Medicated wines and similar preparations containing alcohol equivalent to 20 per cent but not more than 42 per cent of proof spirit were sold either by (*a*) holders of licenses for the sale of foreign liquor or (*b*) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries and medical practitioners and other persons who had been specially approved by the Collector and held a special license in that behalf. The fees for such a special license was Rs. 50 per annum. Medicinal preparations containing alcohol equivalent to more than 42 per cent of proof spirit could be sold only by foreign liquor licenses. Preparations containing alcohol equivalent to less than 20 per cent of proof spirit were exempt from Excise restrictions.

188. *Administrative changes.*—The principal administrative changes during the year were:—

(*a*) Conversion of some distillery liquor shops into outstill shops or opening of new outstills in the districts of Gaya, Shahabad, Champaran, Monghyr, Bhagalpur, Santal Parganas, Puri, Sambalpur, Hazaribagh, Ranchi, Palamau and Singhbhum with effect from the 1st April 1934.

(*b*) Reduction in the rates of duty and maximum retail prices of higher strengths of country spirit almost throughout the province with effect from the 1st April 1934.

(*c*) Enhancement of the retail price of country spirit of 50 U. P. strength in the buffer shops adjoining the Jamshedpur area in the district of Singhbhum.

(*d*) Reduction in the wholesale price of country spirit from Rs. 1-7-9 to Rs. 1-1-6 per L. P. gallon with effect from the 1st April 1934.

(*e*) Reduction in the rate of duty on ganja exported to Nepal from Rs. 35 to Rs. 20 a seer with effect from the 1st December 1934.

(*f*) Extension of areas of the tari tree-tax system in the districts of Gaya, Shahabad, Saran, Champaran, Monghyr and Bhagalpur.

(*g*) Increase in the limit of retail sale of bhang from 5 tolas to 20 tolas in the districts of Shahabad, Saran and Palamau with effect from the 1st September 1934.

189. *Temperance and anti-Excise movement.*—There was practically no organised temperance movement or any anti-excise movement in any district during the year.

190. *Conviction.*—4,467 persons were prosecuted for offences, against the Excise and Opium Acts, against 4,935 in the year 1933-34. The total number of persons arrested in 1912-13 was 1,816 and out of these 1,580

persons were convicted. 1,628 cases of illicit distillation were detected during the year under review, against 1,916 in the year 1933-34. The number of pachwai cases was 909 against 854 in 1933-34. The total number of persons convicted for offences under the Excise and Opium Acts during the year was 4,105 against 4,103 in 1933-34. The percentage of convictions to arrests was 91·8 against 83·1 in the preceding year and 87 in the year 1912-13. The number of persons convicted for offences relating to country spirit was 2,191 against 2,242 in the year 1933-34 and 798 in the year 1912-13.

191. *Location of shops.*—The sites of liquor shops were carefully selected in accordance with the procedure laid down in Sections 30 to 37 of the Excise Act, 1915, and rules made thereunder in consultation (*a*) with the magisterial and other local authorities, (*b*) with large employers of labour and (*c*) in municipal towns, with Local Advisory Committee. These Committees were constituted with the Collector of the district (or, in less important towns, with the sub-divisional or other officer not below the rank of a Deputy Collector) as Chairman and the Superintendent of Police (or in less important towns, some other Police officer not below the rank of Inspector), specially deputed by the Superintendent as Member. The non-official element consisted of (1) the Chairman of the Municipality (or, in towns where the Collector or the Sub-divisional Officer was the Chairman of the Municipality the Vice-Chairman of the Municipality), and (2) one Municipal Commissioner for each ward in which it was proposed to license premises for a liquor shop, such Municipal Commissioner being nominated by the body of Municipal Commissioners (in Municipalities not divided into wards, one Municipal Commissioner was nominated by the body of Municipal Commissioners). Since 1914-15 Advisory Committees are being formed for the rural areas of the districts of the Chota Nagpur division. The functions of these Committees are purely advisory, and the final decision as to the number and location of shops rests in every case with the Excise Commissioner, and the Board of Revenue. Changes were made by these authorities in deference to the views of the bodies mentioned above and to the opinion of the local residents. No liquor shop could be opened in or at the entrance of a bazar, or close to places of public resort, such as schools, hospitals, places of worship &c. or in congested portions of a village.

192. *Licensing Boards.*—Licensing Boards constituted for the first time in 1924-25, as an experimental measure, for the municipalities of Patna, Gaya, Chapra, Muzaffarpur, Darbhanga, Monghyr, Bhagalpur and Cuttack to exercise subject to the control of the local Government all the powers and perform all the duties which are conferred and imposed upon the Collectors by sections 30 and 34 of the Bihar and Orissa Excise Act, 1915, in respect of the shops for the retail sale of country spirit and hemp drugs, continued during the year. They were vested with similar powers in respect of opium shops in the areas mentioned. The Boards were constituted as follows:—

(1) President—Chairman of the Municipality.

(2) One member elected by the Municipal Commissioners from among their own number or from outside.

(3) One member nominated by duly registered temperance societies, if any, in the city.

(4) One non-official member of the Legislative Council, resident in the municipality.

(5) One member elected by the Principals and Head Masters of Local Colleges and High Schools recognized by the Patna University or by the Education Department of the Government.

(6) One member elected by the licensees of the town.

(7) One member appointed by the Collector to represent the labouring and consuming classes.

(8) *Ex-officio* Secretary.—The Superintendent of Excise and Salt.

During the year under report there was no meeting of the Licensing Boards for Monghyr and Cuttack as the Municipalities in these two districts were superseded by Government.

193. *Administrative Agency.*—After the appointment of a Commissioner of Excise in 1889, the Divisional Commissioners, under Section 33 of the Bengal Excise Act, VII of 1878, ceased to exercise control over the administration of Excise in their respective divisions. From the 1st April 1893, Commissioners of divisions were again brought into touch with Excise and annual and other reports, and proposals involving any change in principle or policy were required to pass through them. During the year under review the Excise Commissioner worked under the general supervision of the Board of Revenue and was aided in district inspections by two Deputy Commissioners of Excise. The Collector was assisted in his work by a Superintendent or a Deputy Superintendent of Excise working immediately under his supervision: one of the Superintendents was also employed in the Excise Commissioner's office as his Personal Assistant. The subordinate district agency consisted of Deputy Superintendents, Inspectors, Sub-Inspectors, clerks, petty officers and peons who were variously employed in the management of distilleries and warehouses, in the inspection of shops, in the collection of revenue and compilation of statistics, and in the detection and prevention of excise offences, and who were controlled by the Superintendent or Deputy Superintendent of Excise acting under the orders of the Collector.

194. *Prior to 1st October 1916*, the work done in 1934-35 by Superintendent or Deputy Superintendent of Excise, was being performed by Deputy Collectors, but from that date the Provincial Excise staff and the Salt staff in the Orissa districts were formed into one body, and close service with a cadre of 23 Superintendents of Excise and Salt, was formed, whose pay on confirmation was fixed on a time scale of Rs. 300 to Rs. 850 by biennial increment of Rs. 50 with efficiency bars at Rs. 500 and Rs. 700. Above the time scale was a selection grade of one post on Rs. 1,000. The posts of Deputy Commissioner of Excise and Salt (present pay Rs. 1,000—40—1,200 per month) were also created to give the Commissioner assistance in inspection, in supervision of the preventive staff and in the co-ordination of preventive operation in different districts.

195. *Incidence of Excise revenue per head.*—Calculated on the population according to the census figures of 1931 the incidence of excise revenue in Bihar and Orissa including duty receipts on drugs exported beyond the province was 5 annas 11 pies per head in 1934-35 of which more than three-fifth was derived from liquors. Excluding receipts from export the incidence of revenue per head of the population was 5 annas 9 pies only. In 1933-34 the average total excise revenue (including receipts from exports) per head amounted to 5 annas 3 pies compared with 4 annas 10 pies in 1912-13.

CHAPTER VII.

United Provinces of Agra and Oudh.

196. *Excise Revenue.*—Gross realisations of Excise revenues of the United Provinces for the year ended March 31, 1935, were Rs. 134·90 lakhs as detailed below:—

	Receipts in lakhs of Rs.	Percentage of total excise receipts.
1. Country spirit	63·87	47·3
2. Tari, etc.	7·25	5·4
3. Duty on Indian-made rum, etc.	4·55	3·4
4. Duty on Indian-made beer, etc.	1·39	1·0
5. Fees for vend of European liquors	1·84	1·4
6. Opium and compounds	22·86	16·9
7. Hemp drugs	32·55	24·2
8. Miscellaneous	0·59	0·4
Total	134·90	100·0

The total Excise revenue and the revenue from country spirit of the United Provinces during the year 1933-34 amounted to Rs. 132·13 lakhs and Rs. 65·81 lakhs respectively, against Rs. 126·17 lakhs and Rs. 84·06 lakhs in 1912-13.

In 1933-34, the revenue from country spirit bore a percentage of 49·8 to the total Excise revenue during that year, whereas in 1912-13, it represented 66·6 per cent. of the total Excise receipts.

This memorandum is concerned only with the first five items mentioned above.

197. *Law regulating Liquor traffic.*—The liquor traffic in the United Provinces was regulated by the United Provinces Excise Act (IV of 1910), as subsequently amended by the rules framed thereunder.

Country Spirit.—General.

198. *Definition of Country Spirit.*—In the United Provinces the expression country spirit means plain or spiced spirit which is made in India from materials recognised as bases for country spirit and on which duty has not been imposed at the rate fixed for the importation of spirit into British India. The chief bases used for the manufacture of country spirit were the *mahua* flower, and molasses. An admixture of these in varying proportions was also employed. The eastern districts preferred spirit manufactured from *mahua* or a mixture of *mahua* and molasses but the western districts generally preferred spirit distilled from pure molasses. The Tharus of Gonda and Bahraich districts and the Bhutias of Kumaun, used grain as a base for the production of spirit; while the inhabitants of certain tahsils in the Naini Tal district manufactured *pachwai* or rice beer.

199. *Systems of management.*—The manufacture and sale of country spirit was carried on under two systems, namely the contract supply system and the outstill system, the former prevailing in 88 per cent. of the provincial area. The great bulk of the province including all the

more developed and thickly populated districts, was under the contract supply system. The outstill system was confined only to the thinly populated and inaccessible tracts on the northern, eastern and southern boundaries. On the north, the outstill system included nearly the whole of the Garhwal district and on the north-east, it formed a protection belt between Nepal and the districts of Almora, Pilibhit, Kheri, Bahraich and Gorakhpur. On the south, it embraced the uplands of Mirzapur.

Apart from these systems, special exemption from the Excise laws and rules was given in certain backward localities. The Bhutias were exempted while residing within the parganas of Dharma and Johar and at the Bholia Parao at Dharchula in the pargana of Askot in the Almora district and in pargana Painkhanda in the Garhwal district of the Kumaon Division, from all those provisions of the United Provinces Excise Act (IV of 1910) which prohibited or rendered penal the manufacture of liquor except under a licence and the possession of liquor in excess of retail quantities, provided that any liquor which they manufactured or possessed was used for domestic consumption only and not for sale. The inhabitants of those portions of parganas Jaunsar Bawar in the Dehra Dun District which lay outside the town of Kalsi and the cantonment of Chakrata were also exempted from the provisions of the Act, in so far as they were permitted to manufacture without licence for domestic consumption only and not for sale, spirit and fermented liquor known as "sur" and "rabra" respectively and to possess such spirit and fermented liquor in excess of retail quantities.

Country Spirit.—The Contract Supply system.

200. *Manufacture.*—There were 9 distilleries which supplied country liquor in the United Provinces. Three of them had been remodelled from the old central distilleries which disappeared in 1921-22; they were situated at Allahabad, Fyzabad and Saharanpur; the buildings had been leased to small joint stock companies, whose members were for the most part local distillers; the actual distilling and other plant was the property of the companies; these three distilleries manufactured country spirit by the pot still system. The remaining six distilleries were privately-owned, one of them being situated outside the province at Nowgong, Central India; they carried on the manufacture of country spirit by the patent still system.

201. *Supply.*—Each firm of distillers was given the exclusive privilege of supplying country spirit at a fixed price to a particular tract for a limited period (usually three years). No payment was required from the distillers for the exclusive right of supply as the object was to secure to the public the supply of good spirit at a cheap and uniform rate.

In order to select a firm for each tract, tenders were called for showing the rates at which the different firms were prepared to supply country spirit in the area specified. But in order to prevent undue competition amongst the different firms, each of them was assigned a small reserved area, the rest of the province being open to competition by all; one of the conditions of the tenders however was that no firm could tender for the reserved area at a rate higher than what it asked for in the case of a tract in the competitive area. Contracts for the competitive area were usually allotted by Government to the firms tendering at the lowest rates, subject to the condition that no firm was to be assigned too large an area; Government reserved to themselves the power to accept or reject any tender without assigning any reason for doing so.

The selected firm was bound to supply regularly spirit of the description contracted for and of the prescribed strength. Delay or failure rendered the supplier liable to penalties and all loss to Government were to be made good at the contractor's expense. The spirit supplied was periodically examined and the supplier was bound to remedy any defects which might be found. Spirit below the standard quality could be rejected and destroyed.

Further, the supply contractor was required to sell spirit to licensed vendors at all places in his contract area where bonded warehouses might have been established at the price agreed upon. This price did not include still head duty which Government could vary at any time during the contract. The present contract rates varied from Re. 0-12-0 to Rs. 1-6-0 per L. P. gallon.

Spiced country spirit was also sold under this system, but the supply price was determined by the contractors themselves.

202. *Bonded Warehouses.*—The supply contractors were required to convey spirit under bond, at their own cost, to certain bonded warehouses situated at suitable places in the supply area and store it there. Duty was levied on it only when it was issued from these warehouses to licensed vendors. Each warehouse was in charge of a government officer who supervised all operations therein. The number of bonded warehouses was 77 on April 1, 1934 as compared with the same number on April 1, 1933 and 55 on April 1, 1912.

203. *Wholesale depots.*—Wholesale depots which were controlled by the supply contractors were also established in certain areas in addition to bonded warehouses for the sale of spirit to retail vendors who owing to distance or lack of proper communications found it inconvenient to obtain their supplies from bonded warehouses. Duty paid spirit obtained from the nearest bonded warehouse or distillery in the district was stored in them and vendors of areas where a higher rate of Excise duty prevailed, were not allowed to purchase it from a depot situated in low duty area. The price which might be charged at wholesale depots, could not exceed the total of the following items:—

1. Still-head duty;
2. Contract price;
3. Depot rate as fixed by the Excise Commissioner which was about three annas per L. P. gallon.

There were 17 wholesale depots in existence in the year 1934-35, as compared with the same number in the preceding year and 5 in 1912-13.

204. *Licensing system.*—(*a*) The auction system of settlement of country spirit shops continued in the area under the contract distillery system during the year.

In the outstill area which was 12 per cent. of the whole province the auction system of settlement continued as in previous years.

The location and the number of shops continued to be determined by the Excise Advisory Committees and the Licensing Boards throughout the province as in the previous years.

(*b*) Only one wholesale licence was granted during the year with the previous sanction of the Excise Commissioner as usual.

205. *Still Head Duty.*—From April 1, 1934, still-head duty on country spirit issued in areas under the contract supply system was levied at the following rates:—

	Rate of duty per L. P. gallon. Rs. A. P.
For consumption, in the towns of Dehra Dun, Rajpur, Mussoorie, Meerut, Agra, Bareilly, Cawnpore, Benares and Lucknow	13 0 0
For consumption in the districts of Saharanpur, Muzaffarnagar, Bulandshahr, Aligarh, Muttra, Mainpuri, Etah, Bijnor, Budaun, Shahjahanpur, Pilibhit, Farrukhabad, Fatehpur, Jaunpur, Ghazipur, Ballia, Azamgarh, Unao, Rai Bareili, Sitapur, Hardoi, Kheri, Fyzabad, Gonda, Bahraich, Sultanpur, Partabgarh, Bara Banki, Dehra Dun (except towns of Dehra Dun, Rajpur and Mussoorie), Meerut (except town of Meerut), Agra (except town of Agra) Bareilly (except town of Bareilly), Moradabad (except Darihal town), Etawah, (except trans-Chambal tract), Cawnpore (except town of Cawnpore), Allahabad [except old Bara tahsil and that portion of Meja tahsil (except Chilbila shop), lying south of Allahabad-Mirzapur Railway], Benares (except town of Benares), Mirzapur (except Hallia circle and distillery area of Robertsganj tahsil), Gorakhpur (except portions of the Maharajganj and Padrauna tahsils north of a line running along the Chaumukha Panera-Captainganj road and thence along the Captainganj-Pakriar-Tinbardha Bazar road, excluding the village or portions of villages Chaumukha, Bhaurabari, Panera and Partawal which lie in the north of this line), Basti (except the Trans-Rapti tract), Lucknow (except town of Lucknow)	7 8 0
For consumption in :—	
(*a*) The town of Naini Tal	7 8 0
(*b*) The tahsils of Sittarganj and Khatima of the Naini Tal district	5 5 0
(*c*) The Rest of the Naini Tal district	6 4 0
For consumption in the town of Jhansi and the district of Almora	6 4 0
For consumption in the districts of Jhansi (except Jhansi town), Banda, Hamirpur and Jalaun	4 8 0
For consumption in the town of Darihal, district Moradabad in the Trans-Chambal tract of the Etawah district, in the portions of the Maharajganj and Padrauna tahsils north of a line running along the Chaumukha-Panera-Captainganj road and thence along the Captainganj-Pakriar-Tinbardha Bazar road, excluding the villages or portions of villages Chaumukha, Bhaurabari, Panera and Partawal which lie in the north of this line in the Trans-Rapti tract of the Basti district and in the Garhwal district	5 0 0
For consumption in the Old Bara Tahsil and that portion of Meja tahsil (except Chilbila shop) lying south of Allahabad-Mirzapur Railway, district Allahabad and in Hallia circle and distillery area of Robertsganj tahsil, district Mirzapur	1 13 0

NOTE (i).—The expression " town " included the area within the municipal or town boundaries, the area within the cantonment boundaries (if any) and all places within a distance of two miles from the nearest point of either of the aforesaid boundaries.

(ii) Where the rate of duty for a town is not given separately but only that for the district is given, the latter will apply to the town as well.

An export duty of 2 annas per L. P. gallon was levied on all exports of country spirit.

206. *Revenue, Consumption and average taxation.*—The total issues to contract areas in 1934-35 amounted to 477,893 proof gallons. The revenue realised therefrom was made up of Rs. 37·89 lakhs from duty and Rs. 24·07 lakhs from vend fees. The average incidence of taxation amounted to Rs. 12-15-6 per proof gallon of which Rs. 7-14-11 represented duty and Rs. 5-0-7 vend fees, etc. In addition to this, 24,629 L. P. gallons of country spirit were exported to other provinces and Indian States. In 1933-34, the total quantity of country spirit issued in contract areas amounted to 470,120 proof gallons. The total revenue realised therefrom was Rs. 64·00 lakhs and the incidence of taxation amounted to Rs. 13-9-11 per proof gallon of which Rs. 7-14-9 were derived from duty and Rs. 5-11-2 from vend fees, etc.

The total issues in the ordinary and contract distillery areas taken together in 1912-13 amounted to 1,689,932 proof gallons and the total revenue realised therefrom was Rs. 82·60 lakhs. The total average taxation per proof gallon amounted to Rs. 4-14-2 of which Rs. 3-3-4 were obtained from duty and the balance from vend fees, etc.

The average consumption of country spirit per 100 of the population in the years 1912-13, 1933-34 and 1934-35 was 3·61, 0·97 and 0·99 L. P. gallons respectively.

COUNTRY SPIRIT.—THE OUTSTILL SYSTEM.

207. *Description, extent and revenue.*—A licence to manufacture and sell spirit at a specified shop technically known as an "out-still" was granted on payment of a licence fee which was determined by auction. No monopoly of manufacture or vend over a specified area was granted and no still-head duty was payable in addition to the licence fee.

Out-stills were usually established in tracts bordering on Indian States, or in localities, where owing to sparseness of population or difficulties of communication, etc., no system of contract supply and still-head duty could be worked. The revenue realised amounted to Rs. 1·91 lakhs in 1934-35 against 1·81 lakhs in 1933-34. In 1912-13, this system was extant in parts of Etawah, Philibhit, Allahabad, Mirzapur, Gorakhpur, Kheri, Gonda, Bahraich, Almora and Garhwal districts. The revenue realised under this system then was Rs. 1·46 lakhs. The area under and the population served by this system are mentioned in Statement V.

208. *Connexion of shops and stills under the farming and out-still systems.*—Ordinarily, under the out-still system, there is one place only for both manufacture and vend, but when necessary an outlying shop could, with the special sanction of the Excise Commissioner, be attached to a combined still and shop.

209. *Tari, etc.*—*Tari* is the sap of the palmyra palm. As a rule, the only taxation on *tari* was that obtained from licences for its retail sale. The number of shops was fixed and the privilege of vend could be sold for each shop individually or the monopoly of vend in a district or Tahsil could be framed to a single contractor who could sublet the privilege if so disposed. No distinction was observed between "fermented" *tari* and "fresh" or unfermented *tari*. Both were subject to the same system and incidence of taxation.

210. *Tree-tax system.*—The tree-tax system was in force during the year in one tahsil of Basti district and the whole of the Gorakhpur district. A tax of Rs. 7-12 and Rs. 5-12 on each *tar* or palmyra tree and of Rs. 2-4 and Rs. 2-4 on each *khajur* or palm tree tapped is in force in Gorakhpur town and the rest of the tree-tax area respectively. The licensees of the shops in the area were selected by the Collector or the Licensing Board as the case might be by drawing lots or by selection from among suitable applicants. In addition to the tree-tax the vendors had to pay licence fees in the form of a surcharge of Rs. 2-4 per *tar* and As. 12 per *khajur* tree tapped. Owners of trees were allowed to tap up to a limit of 5 trees annually on payment of the tree tax for domestic consumption only.

The total number of shops for the retail sale of *tari* in 1934-35 was 1,523 against 1,528 in 1933-34 and 3,023 in 1912-13.

211. *Other country fermented liquors.*—*Sendhi* is a kindred drink to *tari* and is made from the sap of the wild date palm (*phoenix sylvestris*). Its consumption was insignificant and for the purpose of taxation was generally included in the *tari* contracts. *Darbahra* is a variety of country beer obtained by fermentation of various herbs. It is very slightly alcoholic. It had a limited consumption in the Azamgarh district and was included in *tari* contracts. *Boza* is a fermented liquor made from rice. It was used very little and was included in *tari* contracts.

212. *Receipts from Tari, etc.*—The total revenue from *tari* (which included receipts from the other liquors mentioned above) was Rs. 7·25 lakhs in 1934-35 against Rs. 7·39 lakhs in 1933-34 and Rs. 3·32 lakhs in 1912-13.

Foreign liquors—Indian made Spirits.

213. *Manufacture and duty.*—Rum and spirits sophisticated to resemble whisky, brandy and gin as well as rectified spirit and denatured spirit were manufactured after European methods both for local use and for export at the private distilleries at Shahjahanpur, Cawnpore, Unao, Saharanpur and Lucknow. Issues were required to be covered by a pass granted by the Officer-in-charge of the distillery. No fee was charged for the distillery licence; but the distillers had to deposit security which was liable to be forfeited had they committed any breach of the conditions of their licence. During the year 1934-35, the rate of still-head duty on such liquors was Rs. 21-14 per proof gallon. The rate was Rs. 9-6 per proof gallon on rum and other sophisticated spirits and a duty of 5 per cent. *ad valorem* on denatured spirit in the year 1912-13. Rum issued to troops was excised at Rs. 12-8 per L. P. gallon. Since 1915-16 no duty was levied on denatured spirit. Rectified spirit was issued at Rs. 5 per L. P. gallon to approved chemists and druggists and manufacturers of toilet preparations for the manufacture of drugs, medicines and chemicals and of toilet preparations, respectively.

Indian-made foreign liquor (except beer from the Punjab) was allowed to be imported on (1) pre-payment of duty in the United Provinces, (2) in bond and (3) on pre-payment of duty in the province of export at the rates leviable in the United Provinces to be subsequently transferred to this province by book transfer. Import of beer from the brewery in the Punjab and of foreign spirits from the Cox's distillery, Nowgong, Central India, was allowed on pre-payment of duty in those provinces for subsequent transfer to this province by book adjustment. Export of duty-paid

Indian manufactured foreign liquor from wholesale premises was made under passes.

As export duty of two annas per L. P. gallon was levied on export of all locally manufactured foreign spirit, to other provinces and Indian States. This could not be refunded to the importing provinces. The exceptions to this rule were—

(1) denatured spirit, and

(2) rectified spirit issued to charitable and educational institutions.

214. In 1934-35, 21,883 proof gallons of rum, sophisticated spirit and rectified spirits of wine were issued for consumption in the United Provinces; 28,005 gallons were issued to other provinces of which 21,500 gallons were exported in bond and 6,505 gallons on pre-payment of duty. In 1933-34, 16,872 proof gallons of rum, sophisticated spirit and rectified spirit were issued for consumption in the province and 34,656 gallons were issued to other provinces. In 1912-13, the quantity of rum, sophisticated spirits and rectified spirit issued for ordinary consumption in the United Provinces amounted to about 13,575 proof gallons. About 16,802 gallons of such spirits were issued to other provinces.

215. *Licences.*—Indian-made rum, whisky, brandy and gin, were sold under the same licences as imported European spirits; the vendors making their own arrangements for supply either from the distillery direct or through wholesale vendors.

Foreign liquor—Indian made beer, etc.

216. *Manufacture and duty.*—Liquors are manufactured from malt and hops after the English method in the private brewery at Ranikhet. A duty of As. 12 per bulk gallon was charged on all issues.

Beer could be removed from a brewery on a pass from the Collector. If a brewer had duly executed a bond, he was authorised to issue the pass himself, provided the duty on the quantity thus issued did not exceed the amount of the bond. No fee was charged for a licence to work a brewery.

217. In 1934-35, the total issues amounted to 28,337 gallons, all of which were consumed within the province. In 1933-34, the total quantity of Indian-made beer issued for consumption in the province amounted to 38,390 against 331,864 gallons in 1912-13.

218. *Licenses.*—Indian-made beer was included in the definition of foreign liquor and was sold along with the imported article in shops licensed for the sale of European liquors generally.

Foreign liquor—Imported.

219. *Licences.*—Revenue from the overseas imported liquors was derived only from fees for the right to sell; the duties thereon being collected by the Customs authorities. A licence for the sale of European liquors covered the sale of sophisticated spirit and fermented liquors manufactured in India after the European methods. Licences for the wholesale vend of foreign liquor were of two classes, *viz.*, (1) for vend to wholesale and retail vendors only, and (2) for vend to wholesale and retail vendors and to the public. The assessment of fee for both kinds of

these licences was made on the basis of surcharge on the actual sales made during the previous year. The fee for a licence of class (1) above was subject to a minimum of Rs. 100 for a year or any part thereof and to a maximum of Rs. 300 and the fee of class (2) was subject to a minimum of Rs. 100 for a year or any part thereof but to no maximum. Fees for retail vend licences were also assessed on the actual sales but according to different scales. The fee for a shop licence for consumption "off" the premises was assessed on a lower scale than that for consumption both "on and off" the premises. Licence fees were assessed in each case by the Collector on the basis of figures of actual sales in the preceding year. In towns where Licensing Boards exercised jurisdiction, licences for sale for consumption "on and off" the premises, *i.e.*, for ordinary drinking taverns were under the control of the Board. Occasional licences for the vend of spirit at public entertainments were also granted by District Officers on a fee of Rs. 4 *per diem*. When an "on and off" licence was granted for premises attached to a theatre or cinema, the minimum fee was Rs. 1,500 per annum. The licence fee for the retail vend of denatured spirit was Rs. 25 per annum only.

Licenses to bottle foreign liquor were granted to wholesale vendors only, on fees varying from Rs. 100 to Rs. 300 a year.

Foreign Liquor—General.

220. *Receipts from and consumption of foreign liquor.*—In 1934-35, the total receipts from vend licences for foreign spirit liquors (including that manufactured in the country) amounted to Rs. 1·84 lakhs against 1·92 lakhs in 1933-34 and 0·63 lakhs in 1912-13. A comparative statement showing sales of the three classes of foreign liquor is given below:—

Year.	Imported liquors.			Liquors manufactured in India and classed as foreign liquor.	
	Spirits in L. P. gallons.	Wines in Imperial gallons.	Beer in Imperial gallons.	Spirits in L. P. gallons.	Beer in Imperial gallons.
1912-13	Not available.	Not available.	Not available.	Not available.	Not available.
1933-34	48,546	23,165	1,52,365	22,009	2,53,192
1934-35	31,718	6,502	1,27,117	19,011	2,63,371

Administration.

221. *Licensing Boards.*—In the municipalities of Allahabad, Cawnpore, Benares, Lucknow, Agra, Meerut, Bareilly, Moradabad, Gorakhpur, Fyzabad, Naini Tal, Jhansi, Aligarh, Saharanpur, Shahjahanpur, Mirzapur, Farrukhabad-cum-Fatehgarh, Dehra Dun, Jaunpur, Muttra, Etawah, Budaun, Hathras, Pilibhit, Ghazipur, Bahraich, Muzaffarnagar, Sitapur and Banda and in the rural area of Lucknow and Bijnor districts, Licensing Boards with powers to determine the number and location of excise shops were constituted. They were also empowered to select

licensees except where the settlement was made by auction. Their composition was as under:—

5 members representing the municipality (elected);

1 member representing education (elected);

1 member representing temperance (elected);

1 member representing labour (nominated);

1 member representing the excise licensees (elected);

1 member representing the Assistant Excise Commissioner (*ex-officio*);

and the District Excise Officer as Member and Secretary.

The rural Licensing Boards consisted of:—

5 members representing the district board (elected);

1 member representing each municipality situated within the district in which a licensing board did not exist;

1 member representing education (elected);

1 member representing temperance (elected);

1 member representing labour (nominated);

1 member representing the excise licensees (elected);

1 member representing the Assistant Excise Commissioner (*ex-officio*);

and the District Excise Officer as Member and Secretary.

The boards held jurisdiction over:—

(*a*) shops for the retail sale of country liquor (except as regards the selection of licensees where the licences were sold by auction);

(*b*) shops for the retail sale of opium;

(*c*) shops for the retail sale of intoxicating hemp drugs;

(*d*) shops for the retail sale of tari (except as regards the selection of licensees, where the licences were sold by auction);

(*e*) shops for the sale of foreign liquor for consumption 'On and Off' the premises.

The decision of the Boards were subject to revision by the Local Government on appeal.

The result of the settlement made by the 29 urban and 2 rural boards in so far as it related to liquors was as given below:—

Kind of shop.	Changes introduced.			Accepted by Excise Commissioner or by Government.	
	Number of shops in 1934-35.	Closure.	New shops.	Closure.	New shops.
Country spirit . . .	251	4	3	3	1
Tari	102	..	..	..	..
Foreign liquor . . .	13	..	..	..	..

222. *Advisory Committees.*—In each municipality in which a Licensing Board was not constituted and in each district except in districts for which a rural licensing board had been constituted excluding municipal and cantonment areas, an Excise Advisory Committee was appointed every three years. Their composition was as under:—

2 members of the municipal board or of the district board according as the committee represented an urban or rural area;

2 members representing other interests, specially education and temperance;

2 members of the Legislative Council, representing the constituency in which the committee functioned;

1 the Assistant Excise Commissioner of the charge;

1 the District Excise Officer as member and Secretary.

The duties of the committee were (1) to meet annually to consider (*a*) the number and location of shops in the municipality or district and (*b*) any representations made in connection with Excise by the inhabitants of the municipality or district to record resolutions thereon and to communicate them to Collector, (2) to recommend to Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary, as licensee of a shop, (3) to meet when convened by the Collector for the purpose of giving him advice (*a*) on matter connected with excise and (*b*) regarding arrangements to be made by him for carrying on the business of a shop which has been subjected to picketing for political purposes or for changing the sites of shops or temporary creation of new shops to take the place of or to be started in addition to existing shops which have been subjected to picketing for political purposes; (4) to meet when convened by a requisition addressed to the Chairman by not less than three members; and (5) to make periodical inquiry every third year as to the location of shops.

Where settlements had not been made by auction it was also their duty to recommend to the Collector three names in order of merit out of two lists, one of approved and the other of unapproved candidates prepared by the Secretary, as licensee of a shop.

The result of the settlements proposed by the Advisory Committees is shown below:—

Kind of shop.	Committee's proposals.		District Officer's recommendations.		Accepted by Excise Commissioner or by Government.	
	Closure.	New shops.	Closure.	New shops.	Closure.	New shops.
Country spirits .	8	14	8	13	8	13
Tari . . .	4	6	4	6	4	6

223. *Temperance Movement.*—The budget grant sanctioned for temperance propaganda during the year under report was Rs. 7,000 against Rs. 7,000 in 1933-34. Rs. 5,110 were utilised during the year, mainly for helping genuine temperance associations.

Various Governmental Agencies (*i.e.*, the Director, Publicity, the Director of Public Health Department and the Director, Maternity and Child Welfare Section of the United Provinces Branch of the Indian Red Cross Society), continued to help in carrying on the propaganda on the same lines as reported last year. The Director, Maternity and Child Welfare Section reported that considerable success had been achieved by her in this direction as reflected in the reduction of infant mortality, brought about by the propaganda against the administration of opium and other intoxicants to babies which was one of the causes of infant mortality.

Temperance activity through purely non-official agency was reported from several districts, the majority of which received grants-in-aid from Government.

The idea of temperance was slowly gaining ground. The public conscience in the matter is needed to be roused a great deal more before the aspirations of the temperance reformer can be translated into action.

224. *Administrative changes.*—The principal administrative changes during the year were:—

(1) The contract given to the Unao Sugar Works Distillery, Unao, for the supply of country spirit to the districts of Bulandshahr, Aligarh and Sitapur for the current triennium April 1, 1933 to March 31, 1936, was cancelled on September 22, 1934 owing to mismanagement and unsatisfactory finances of the contractors and was transferred to Messrs. Sri Krishna Das Jagannath Prasad, Proprietor, Srikrishna Das Sugar Mills and Distillery, Unao, for the remaining period of the triennium.

(2) The increase in duty on country spirit issued to the districts of Bulandshahr, Aligarh and Sitapur from Rs. 4-14 to Rs. 5-1 per gallon of 35 U. P.

(3) The reduction of duty on spiced country spirit issued for consumptoin in Rohilkhand and Kumaun divisions from Rs. 11-4 to Rs. 7-8 per gallon of 25 U. P.

225. *Prosecution and Conviction.*—The total number of prosecutions under the Excise Act increased from 1,488 in 1912-13 to 4,289 in 1934-35. It was 3,972 in 1933-34.

There were 3,312 (3,016) prosecutions relating to (1) illegal manufacture, (2) illicit possession of spirit and (3) illegal introduction or sale of country spirit. This figure is the highest yet recorded except for 1932-33.

Illicit listillation became a problem of first class magnitude claiming more and more attention and energy of the Department and requiring a vigorous campaign to ensure success in putting down the evil. Not only did it increase in districts already known for it, but other places also caught the infection. The growth of illicit distillation was greatly assisted by the abundance of *Mahwa* in some districts and in other parts by the extraordinary cheapness of molasses which resulted indirectly from the development of the sugar industry.

Members of all castes and creeds took part in illicit distillation, as the business was very lucrative and no social stigma was attached to the crime.

46 districts reported illicit distillation cases, the largest number being from Allahabad (417), Rae Bareli (300), Fatehpur (244), Unao (195), Lucknow (176), Meerut (136), Gorakhpur (117), Sultanpur (109), Cawnpore (106), while 11 other districts reported 52 cases or more.

226. *Administrative Agency.*—There was no change in the system of control. The Excise Administration of each district was in the hands of the Collector, under the supervision of the Excise Commissioner. The latter officer worked under the general control of the Local Government. The control of Excise work in each district was usually delegated to an Assistant or Deputy Collector known as the District Excise Officer. The post of Deputy Excise Commissioner remained vacant, as last year. There were 6 Assistant Excise Commissioners acting directly under the Excise Commissioner. An Assistant Excise Commissioner was put in charge of 7 to 8 districts. He directed and supervised the work of the Inspectors in charge, especially on the technical side. He consulted the Collector on local Excise matters and kept him informed on matters of provincial policy and advised him on technical and administrative points. The Collector could give the Assistant Excise Commissioners instructions as to matters into which he should inquire during his stay in the Collector's district. The appointment of Assistant Excise Commissioners did not relieve the Collector of responsibility for the Excise administration of his district. The subordinate staff consisted of Excise Inspectors of whom usually 2 or 3 were posted in each district and of Excise peons, two of whom were usually attached to each Inspector. Every contract bonded warehouse and every distillery was in the charge of an Excise Inspector. Inspectors were also charged with the prevention and detection of Excise crime and to a considerable extent with the prosecution of cases. The police had similar concurrent duties and powers of prevention, detection and prosecution and the two departments worked in co-operation.

A Deputy Collector was appointed as Personal Assistant to the Excise Commissioner from April 23, 1935.

227. *Average total Excise revenue.*—The average total Excise revenue of the province as deduced from paragraph 196 *supra*, was As. 4-6 per head of the population of which more than half was derived from the consumption of liquors. In 1933-34, the incidence of total Excise revenue per head of population was As. 4-4 against As. 4-4 in 1912-13.

CHAPTER VIII.

PUNJAB.

228. *Excise Revenue.*—The excise revenue of the Punjab for the year 1934-35 was realized under the following main heads:—

Head.	Receipts (in lakhs of rupees).	Percentage of total excise revenue.
1. Country spirit made in British India . .	45·87	45·33
2. Country fermented liquor	0·05	0·05
3. Beer	6·24	6·17
4. Foreign liquor	3·87	3·82
5. Opium and its preparations . . .	30·53	30·17
6. Hemp Drugs	14·13	13·96
7. Receipts from Commercial spirits including denatured spirits and Medicated wines .	·46	·42
8. Fines, forfeitures and miscellaneous . .	·05	·04
Total .	101·20	99·96

In the previous year the total excise revenue amounted to Rs. 94·72 lakhs and the revenue realized from country spirit made in India was 40·18 lakhs. The corresponding figures for the year 1912-13 were Rs 64·72 lakhs and Rs. 41·62 lakhs, respectively. In 1933-34 the revenue realised from the country spirit bore a percentage of 39·36 to the total excise revenue for that year against 62·8 in 1912-13.

The first portion of this memorandum is concerned only with the first four items.

229. *Law regulating liquor traffic.*—The liquor traffic in the Punjab was regulated by the Punjab Excise Act, I of 1914, which came into force on the 1st February, 1914, and by the rules framed thereunder.

Country Spirit.

230. *Meaning of the term 'country spirit'.*—Country spirit in the Punjab is of two kinds—plain and spiced—and is distilled from cane sugar.

The distilling base is mixed with water and fermenting agents and distilled either in a patent or pot still. The result is plain country spirit.

Specified spirit is spirit distilled after the addition of flavours and spices to plain spirit. It is not permitted to resemble imported foreign spirit. It is treated as country spirit and is excised as such.

Special spiced spirit is manufactured by certain distilleries according to their own special recipes of spices and flavours.

Indian made foreign spirit is distinguishable from country spirit. It is either country spirit flavoured, and sometimes coloured, to resemble imported whisky, brandy, etc., or malt whisky distilled from spoilt beer.

In 1934-35 the issues of spiced country spirit for consumption in the Punjab amounted to 3,02,465 gallons as against 98,317 gallons of plain spirit. The consumption of spiced country spirit was encouraged because its use created demand for an article which illicit distillers were unable to supply.

DISTILLERY SYSTEM.

231. *Description and extent of the distillery system.*—There were four distilleries in the Punjab at Rawalpindi, Amritsar, Sujanpur and Karnal and one in the Bhagat State (Simla Hills) at Solon. All were owned by private firms or individuals. At Amritsar and Sujanpur there was one continuous steam patent still and at Rawalpindi two such stills, in addition two copper pot stills at Rawalpindi, one at Amritsar and a wooden vat still at Sujanpur. The pot stills were used for the redistillation of spiced spirit.

At Solon there were four fire-heated copper pot stills. The country spirit produced in this distillery was consumed in the neighbouring Simla Hill States and was also exported to the Simla district, which is situated at a convenient distance from this distillery at the terminus of the Kalka-Simla Railway and Solon is a railway station on this line. This distillery began producing spiced spirit by means of redistillation. As the distillery is not situated within the Punjab, it was legally not subject to statutory regulations framed under the Punjab Excise Act; but in order to export its products to the Punjab it complied with all the Punjab Excise regulations and laws.

232. *Other sources of supply.*—Apart from foreign spirit imported into India by sea, the spirit consumed in the Punjab was generally either made in the four Punjab distilleries or in the Solon distillery. The import of spirit made in the Rosa factory at Shahjahanpur in the United Provinces was permitted but in practice such imports were restricted to Rosa Rum which was classed as Indian made foreign spirit. Liquor manufactured in the Punjab and exported to the North-West Frontier and Delhi Province could be re-imported from those provinces.

233. *Regulations of licensed distilleries.*—All distilleries were under the control of the Financial Commissioner, whose sanction was required to all alterations in the designed buildings, or in the equipment of the distillery. An Excise Inspector was posted at each distillery and was assisted by Sub-Inspectors and peons. All processes of distilling took place under excise supervision, and no spirit was permitted to leave the distillery until a pass had been granted by the proper authority and duty leviable on the spirit paid into the local treasury.

234. *Rate of still-head duty.*—The rate of still-head duty during 1925-26, was as high as Rs. 14-1-0 per L. P. gallon, but it was found that this high rate led to illicit distillation and the smuggling of liquor from Indian States. It was reduced to Rs. 10 per L. P. gallon in the beginning of the financial year 1927-28 and to Rs. 7-8-0 from the 1st April 1932 and was further reduced to Rs. 6-4-0 from the 1st April 1933.

The still head duty on Indian made foreign spirit was reduced from Rs. 21-14-0 to Rs. 17-8-0 per L. P. gallon with effect from the 1st April 1926, in order to enable this spirit to compete with cheap spirit imported from Europe. This rate was raised to Rs. 24 per L. P. gallon on the 23rd March 1931 and was further raised to Rs. 24-6-0 per L. P. gallon with effect from the 1st July 1931. This high rate of duty reduced the consumption of Indian made foreign spirit to almost vanishing point and from the 1st April 1933 the rate of duty was again reduced to Rs. 17-8-0 per L. P. gallon. No duty was levied on denatured spirit. A license fee was, however, paid at the rate of Rs. 25 per annum by those licensees who were authorised to possess denatured spirit up to 500 gallons, and Rs. 100 per annum by those who were permitted to possess a higher quantity.

Rectified spirit was excised at the rate of Rs. 24-6-0 per L. P. gallon; but free issues of rectified spirit were made to licensed manufacturers of medical and toilet preparations, who paid a duty at the rate of Rs. 5 per proof gallon of spirit contained in the finished products. Supplies to Government and approved charitable hospitals and dispensaries were made free of duty.

235. *Distribution of spirit from distilleries.*—Issues for consumption in the Punjab could be made direct to retailers by the distilleries but there were also wholesalers who obtained liquor from distilleries and sold it to retailers. It was open to the retailers to adopt either method for obtaining their supplies. No issues were made from the distilleries unless the excise duty had been credited into the local treasury. Bottling was done either by the distilleries in bond, or by licensed bottlers who paid a fee of Rs. 100 per annum.

236. *Wholesale licenses.*—Wholesale licenses were issued at a fixed fee of Rs. 50 per annum.

237. *Retail licenses.*—Licenses for the retail vend of country spirit were auctioned in January for the ensuing financial year. In 1934-35 the incidence of vend fees per L. P. gallon amounted to Rs. 4·37, compared with still head duty at Rs. 6-4-0 per L. P. gallon. The system of auction of retail licenses provided an equitable method of selecting licensees, brought in a considerable revenue to the State, and ensured that the distributors of country spirit had a strong personal interest in the prevention of illicit distillation. This last point was a matter of the greatest importance, especially in a country where sugarcane was one of the important crops and illicit distillation was rife. The number of country spirit retail shops in 1934-35 was 690 as compared with 674 in the preceding year and 795 in 1912-13.

238. *Sale price of country spirit.*—The wholesale price of plain country spirit for delivery at the distilleries was fixed by the Financial Commissioner. During the year 1934-35 Rs. 1-1-6 per L. P. gallon was the maximum price. The retail price of plain country spirit in urban and rural areas was entirely decontrolled in the following districts of the Punjab:—

Rawalpindi. Mianwali, Muzaffargarh, Dera Ghazi Khan, Jhang and Attock

while in the Simla town and Kulu Sub-Division in the Kangra district, it was Rs. 1-14-0 per quart bottle and elsewhere in the Simla district and in the Kasauli Cantonment Rs. 1-12-0 per quart bottle. At rural shops in the Punjab and at Dalhousie the fixed retail price of plain country spirit was Rs. 1-10-0 per quart bottle. Elsewhere at urban shops (*i.e.*, Municipalities, Notified Areas, Small Towns and Cantonments) no price was fixed for the retail sale of country spirit.

239. *Sealed bottle system.*—The sealed bottle system has been in vogue since April 1st. 1915. Only bottles containing 26 2/3 (a reputed quart), 13 1/3 (a reputed pint), and 6 2/3 (a reputed half pint) ounces could be used. The use of half pint bottles was popular and public drunkenness and disorderly behaviour were reduced by the system.

240. *Local Option Act.*—The Punjab Local Option Act, 1923, has been in force since the 1st April 1924. A few local bodies have taken action under the Act to reduce the number of country spirit shops or to prohibit sales in certain areas.

241. *Consumption and average taxation.*—The total amount of country spirit issued for consumption in the Punjab in 1934-35 was 3,76,045 gallons as compared with 3,13,116 gallons in 1933-34. The average taxation per L. P. gallon was 10·62 including Rs. 6-4-0 still head duty.

Other Country Liquor.

242. *Country fermented liquor.*—In the Kangra district *lugri* or rice beer and *sur* or barley beer were consumed. In Kulu, Palampur and Kangra tahsils licenses for manufacture and sale to the public were auctioned, and licenses were issued for home brewing for home consumption at a charge of four annas per license. The number of home-brewing licenses issued during the year was 4,769, against 4,834 in the preceding year. No *tari* is tapped or sold in the province. The receipts from country fermented liquor amounted in 1934-35 to Rs. 0·05 lakhs. The same was the figure for the preceding year, and Rs. 0·03 lakhs in 1912-13.

Malt Liquor.

243. *Breweries.*—The Murree Brewery Company owns a brewery at Rawalpindi, and Messrs. Dyer Meakin and Company own a brewery at Solon in the Bhagat State, Simla Hills.

244. *Manufacture and Issue of Beer from Breweries.*—The statement below gives the manufacture and issue of beer from breweries in the Punjab during the year 1934-35:—

Number and name of Breweries.	Quantity of beer manufactured in gallons.	Rate of duty per gallon.	Revenue realized from Excise duty.
1. Murree Brewery Company, Rawalpindi 2. Dyer Meakin and Company, Solon	9,08,213	Rs. A. P. 0 12 0	Rs. 6,05,686

Beer issued from the breweries was as follows:—

(*a*) For consumption within the province.	(*b*) For export to provinces in British India.		(*c*) For export to Indian States.	
Gallons.		Gallons.		Gallons.
396,346	North-West Frontier Province.	1,65,023	Jammu and Kashmir .	4,179
	United Provinces .	1,69,061	Hyderabad Deccan .	18
	Delhi . .	61,990	*Simla Hill States.*	
	Central Provinces .	28,368	Bhagat . . .	2,113
	Bengal . . .	19,965	Beja	144
	Bombay . .	1,569	Kuthar . . .	59
	Bihar and Orissa .	6,054	Keonthal . . .	60
	Central India. .	2,022	Koti	76
	Rajputana . .	745		
	Baluchistan . .	600		
	Total .	4,55,397	Total .	6,649

Quantity of beer (Indian Manufacture) imported from other Provinces in gallons.

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245. *Brewery duty.*—A duty was levied at twelve annas a gallon on quantity manufactured in the Murree Brewery, at Rawalpindi. An allowance of 10 per cent was made to cover wastage subsequent to the assessment of duty. At Solon the same duty was charged on the quantity imported into the Punjab, an allowance of 6 per cent being made to cover wastage in transit.

246. *Retail Vend.*—Beer, both imported and locally made, was sold by foreign liquor licensees for consumption off the premises. In some of the larger towns beer shops were licensed for consumption on and off the premises. The practice previously in force, in some districts, of auctioning such licenses for beer shops had been abandoned, and fixed fees based on the sale of the previous year, were introduced during the year 1930-31. In 1934-35 these licenses were disposed of by tender.

247. *Receipts from the consumption of beer.*—The receipts from brewery duty in 1934-35 amounted to Rs. 5·86 lakhs as against 5·58 lakhs in the previous year and Rs. 2·38 lakhs in 1912-13. A considerable proportion of this revenue, however, had to be refunded to other provinces in accordance with the principle that duty should follow consumption. The consumption of Indian made beer in the province amounted to 3·22 lakhs gallons in 1934-35 as against 3·07 lakhs gallons in the previous year.

Other Foreign Liquor.

248. *Definition.*—Foreign liquor as defined includes (*a*) all liquor imported by sea into India, other than rectified spirit, denatured spirit and perfumed spirit on which customs duty is leviable under the Tariff Act, XIII of 1894, (*b*) all liquor other than rectified spirit, denatured spirit, and perfumed spirits on which a rate higher than that levied on country spirit is leviable, and (*c*) all beer manufactured in India or abroad. All spirit manufactured in the Punjab in such a way as to resemble whisky, brandy, gin or rum in flavour and appearance was classed as foreign liquor as was also whisky distilled in the Punjab from spoilt beer. Still head duty was charged on manufacture in the same way as on country spirit. The rate levied was Rs. 17-8-0 per L. P. gallon as against Rs. 6-4-0 in the case of country spirit. The total consumption in the Punjab in 1934-35 amounted to 9,213 gallons as against 9,957 gallons in the preceding year.

249. *Wholesale trade licenses.*—Licenses for sale to the trade only of foreign liquor, whether imported or manufactured in the Punjab, were issued on payment of a fee of Rs. 50 per annum.

250. *Sale to the public for consumption off the premises.*—Licenses for the wholesale and retail vend of foreign liquor to the public were granted on payment of fixed fees, roughly assessed on the sales of the previous year to persons of acknowledged respectability. The fee was calculated at the rate of one rupee per gallon for spirit and wines and six pies per gallon for beer.

251. *Retail vend for consumption on the premises.*—Licenses were issued to hotels, restaurants, railway refreshment rooms and railway dining cars at fixed fees, assessed on actual sales licenses for the retail vend of liquor in military canteens were granted, only with the approval of the commanding officer, for fees assessed at the rate of one rupee per gallon for spirits and wines and six pies per gallon for beer.

252. *Consumption.*—The consumption of foreign imported liquor by the public was as follows:—

	1934-35.	1933-34.	1916-17.
Spirits—L. P. gallons . . .	34,157	34,255	35,023
Wines—Imperial gallons . .	14,667	11,967	10,871
Beer—Imperial gallons . . .	184,355	139,611	68,276

253. *Medicated Wines.*—No license was required for the sale of wines containing less than 10 per cent of alcohol by weight, but those containing alcohol obtained by distillation in quantities exceeding 10 per cent but not exceeding 21 per cent by weight were sold under licenses granted by the Collectors on payment of a fee of Rs. 50 per annum.

254. *Vend receipts.*—The receipts from fees for licenses to sell foreign liquor wholesale and retail to the public amounted to Rs. 1·23 lakhs in 1934-35 as compared with Rs. 1·35 lakhs in the previous year and Rs. 2·01 lakhs in the year 1912-13.

ADMINISTRATION.

255. *Administrative agency.*—There was a Commissioner of Excise, with advisory functions only, in the Punjab from 1888 to 1910. After that period the Excise Department has been administered directly by one of the Financial Commissioners. The Excise administration of each district is in the charge of the Collector, under the general supervision of the Commissioner of the division. An Assistant or Extra Assistant Commissioner, usually the Revenue Assistant of the district, performs the duties of the District Excise Officer and is responsible to the Deputy Commissioner for the detailed supervision of the Excise Administration in the district. In the districts of Lahore, Amritsar, Ferozepur and Lyallpur wholetime Excise Officers were at one time employed. They were Extra Assistant Commissioners placed on special duty, but have been replaced by two Excise Superintendents, who visit each district in the province and make detailed inspections of all excise work. They are recruited from the Excise Cadre. An Extra Assistant Commissioner has also been placed in charge of the duties of Excise Assistant to the Financial Commissioners, and performs the work previously entrusted to the Superintendent of Excise and the Distillery Expert. A Deputy Superintendent of Police is responsible for the Excise Bureau in the Financial Commissioner's office and is assisted in this duty by an Excise Sub-Inspector and a Sub-Inspector of Police. Excise Inspectors are posted to each distillery and with one exception to each district. The Lahore District owing to the importance and size of the Lahore town has two Inspectors. These Inspectors are assisted by Excise Sub-Inspectors, of whom in 1934-35 there were 124. Inspectors are paid on a time scale rising from Rs. 180 to 285 with an annual increment of Rs. 7-8-0. There are four selection grade appointments of Rs. 300 each. Sub-Inspectors first grade are placed in a time scale on Rs. 80—5—140, with five selection grade posts of Rs. 150. Sub-Inspectors second grade draw a salary of Rs. 60 per month. Excise Inspectors draw ordinary travelling allowance for the days spent on tour, while Sub-Inspectors receive a fixed horse allowance of Rs. 22-8-0. An Inspector in charge of a distillery receives an allowance of Rs. 30 and Sub-Inspectors employed in distilleries and tincture factories or in charge of Breweries, receive an allowance of Rs. 20 per mensem. Sub-Inspectors posted to charas warehouses receive

no fixed allowance, except for the Sub-Inspector at Sultanpur, who is permitted to draw permanent travelling allowances at Rs. 22-8-0, if he maintains a horse throughout the year.

Offences.

256. *Arrests and convictions.*—The number of persons arrested and convicted for offences under the Excise and Opium Acts was as follows:—

	Arrested.	Convicted.
1934-35	2,913	1,816
1933-34	2,967	1,503
1912-13	725	570

The following figures show the number of persons arrested for illicit distillation:—

1912-13	250
1927-28	1,310
1929-30	681
1930-31	770
1931-32	1,404
1932-33	1,789
1933-34	1,876
1934-35	1,925

Incidence of Taxation.

257. *Incidence of Excise Revenue per head.*—The average total Excise revenue per head of the population in the Punjab during the year 1934-35 was Re. 0-6-10 as against Re. 0-6-5 in the preceding year and Re. 0-5-2 in the year 1912-13.

258. *The Punjab Excise Board.*—The Punjab Excise Board on which the Punjab States are represented, meets at least once a year, under the Presidency of the Financial Commissioner, in order to discuss excise matters of mutual interest. Its 14th meeting was held on the 20th September, 1934.

CHAPTER IX.

CENTRAL PROVINCES AND BERAR.

259. *Excise revenue.*—The total Excise receipts for 1934 in the Central Provinces and Berar amounted to Rs. 57·81 lakhs as shown below:—

Head.	Receipts* (in lakhs of rupees.)	Percentage of total Excise receipts.
1. Country spirit	26·38	45·6
2. Tari	3·23	5·6
3. Malt liquors	0·30	0·5
4. Wines and spirits	0·67	1·2
5. Commercial spirits	0·11	0·2
6. Opium	20·02	34·6
7. Hemp drugs	6·88	11·9
8. Miscellaneous	0·22	0·4
Total .	57·81	100·0

The total Excise revenue and the receipts from country spirit in 1934 amounted to Rs. 57·81 lakhs and Rs. 26·38 lakhs, respectively, compared with Rs. 106·05 lakhs and Rs. 77·25 lakhs, respectively, in the year 1912-13. The total Excise revenue in 1934 thus decreased by 45·5 per cent over that of the year 1912-13 and increased by 0·2 per cent over that of the year 1933. The revenue from country spirit represented 45·6 per cent of the total Excise revenue in 1934 against 72·8 per cent in 1912-13.

This memorandum is concerned only with the first five items. The Excise year was the calendar year 1934.

260. *Law regulating liquor traffic.*—The liquor traffic is regulated by the Central Provinces Excise Act, II of 1915.

Country spirit.

261. *System of management.*—Ever since the constitution of the Central Provinces in 1861 the problem of the Excise administration in respect of country spirit has been to adopt and combine systems in such a manner as to satisfy the various requirements of different localities. From 1861 to 1867, a Central Distillery system, copied from Oudh, was tried as an exclusive system, but proved quite unsuited to rural and *jungly* areas. Between 1867 to 1887, the Central Distillery system became more and more restricted to large towns and their immediate neighbourhood, contract stills and out-stills being employed in other areas. From 1881 to 1891 contract stills, which had failed to give satisfaction, were mostly replaced by out-stills. From 1891 to 1895 there was a reaction against out-stills, and another effort was made by means of the "Bonded Warehouse system" to supply rural areas with Central Distillery liquor. The attempt was not successful, and out-stills had again to be provided for rural areas.

*Including cost price of opium and hemp drugs.

In Berar, a Central Distillery system, modelled on the Bombay District Monopoly system (described in Chapter II) was in force in the Ellichpur, Amraoti and Akola districts and in the Malkapur taluq of the Buldana district till the end of the year 1898-99, the remaining area being under out-stills. The Central Distillery system did not, however, work satisfactorily, and was from the 1st April 1899 superseded in the districts mentioned by a system based on the Contract Distillery system of Madras (prescribed in Chapter I). The latter system was extended to the whole of Berar from the 1st April 1905, in accordance with the recommendations of the Central Provinces Excise Committee of 1904; and it was at the same time decided to improve the existing distillery system in the Central Provinces proper on the same model, and also gradually to bring the greater part of the out-still areas under this system.

In 1912-13, there was also a third system (*viz.*, the Sadar Distillery system) in force in the Central Provinces.

In 1934 only two systems were in force in the Central Provinces, *viz.*:—

(1) The Contract Supply system.

(2) The Out-still system.

262. *Their distinctive features.*—The main features of these two systems may be said to lie in the different methods of taxation involved. Under the out-still system the whole revenue is derived from license fees; and no attempt is made at direct taxation on consumption. Under the Contract Supply system license fees contribute only a portion of the revenue, the remainder being supplied by a tax on consumption, and this takes the usual form of a quantitative and qualitative duty levied directly on the liquor. Under the Sadar Distillery system the liquor itself was not directly taxed, but duty was on the raw material from which it was distilled.

263. *Description and extent of the Contract Supply system.*—In 1934, the Contract Supply system was in force throughout Berar, and in the whole of the Central Provinces except parts of the Chanda, Mandla, Raipur and Drug districts. In 1912-13 this system was in force in full in all the districts of Berar and in the districts of the Central Provinces except parts of Chanda, Seoni, Mandla, Chhindwara, Raipur, Bilaspur and Drug. Under this system the monopoly of the distillers is limited to the manufacture of liquor, and its sale to licensed vendors at fixed strengths and prices, the retail vendor paying the duty. The distillers obtain their contracts by tender or by selection, and are required to put down liquor at a uniform price to local bonded warehouses in their contract areas and to maintain adequate supplies. The contracts may be given either within or outside the province, and may extend to plain spirit manufactured from molasses by European processes, as well as to *mahua* spirit. The spirit is taken to the bonded warehouses, mostly at high strengths, and is there reduced. It is thence issued to the retail vendors at strengths of 45° and 60° under proof, the bulk of it at the 60° under proof strength. In 1912-13 the spirit was issued to the retail vendors at strengths of 60° and 25° under proof and in same cases 45° under proof. The right of retail vend in sanctioned individual shops is disposed of by auction. The licensees have to obtain their supplies from the bonded warehouses. They pay the full price of their liquors, *i.e.*, duty *plus* the contractor's charge, into the Government treasuries, and have thus no direct money dealings with the distillers. In 1912-13 the Sadar Distillery system was in force only in the Sironcha tahsil of the Chanda district. Later on it was replaced by the Contract Supply system.

264. *Distillery arrangements.*—In 1934 there were three distilleries, *viz.*, Seoni, Betul and Katni. The distillery at Akola was closed with effect from the 1st April 1933 and the area served by it was attached to the distillery at Betul. These distilleries were located in Government buildings, with the exception of the last, which was in private premises. The contractors paid monthly rent for Government buildings. The distilleries were in charge of Inspectors, whose salaries ranged from Rs. 100 to Rs. 200 a month. These officers were immediately subordinate to the Deputy Commissioners of the district, and their work was subject to inspection by senior Excise and Revenue officers. The contractors provided their own plant and appliances for distillation.

265. *The Out-still system.*—The operation of the out-still system was confined to the remote and sparsely populated *jungly* tracts of the Mandla, Raipur, Drug and Chanda districts. Suitable and necessary sites for shops having been settled, the shops were grouped in circles and for each circle one out-still was allowed. The right of working the still and of selling its outturn in the shops of the circle is auctioned every year by the Deputy Commissioner, the capacity of the still and the hours of its working being restricted. The out-stills, which were erected and maintained at the expense of the contractor, were under no regular supervision, but were inspected, from time to time, by officers of the Excise and Revenue Departments. No direct taxation according to strength or consumption of liquor was attempted. The necessity for realizing enough to pay the license fees tended to prevent the monopolist of a circle from selling liquor at excessively cheap prices. Removal of spirit from one out-still area into another was generally not permitted.

266. *Proportion of revenue realized under Distillery and Out-still systems.*—The following figures show the relative importance of the Distillery and Out-still systems as regards revenue, area, etc., in the Central Provinces and Berar:—

Systems.	Area in square miles.			Population in thousands.			Revenue in lakhs of rupees.			Percentage to total of					
										Area.			Population.		
	1912-13.	1933.	1934.	1912-13.	1933.	1934.	1912-13.	1933.	1934.	1912-13.	1933.	1934.	1912-13.	1933.	1934.
Sadar Distillery	495	..	..	33	..	..	·08	..	..	5	..	..	2	..	..
Contract Distillery Supply.	78,748	95,633	95,633	12,441	15,316	15,316	74·51	24·61	26·14	78·9	95·8	95·8	89·4	98·8	98·8
Out still	20,580	4,243	4,243	1,442	189	189	2·66	0·24	0·24	20·6	4·2	4·2	10·4	1·2	1·2
Total	99,823	99,876	99,876	13,916	15,505	15,505	77·25	24·85	26·38	100·0	100·0	100·0	100·0	100·0	100·0

267. *Consumption and average taxation in distillery area.*—The total issue from distilleries amounted to 317,820 proof gallons in 1934 and the revenue derived therefrom was Rs. 17·65 lakhs from duty and Rs. 8·49 lakhs from vend fees. This gives an average taxation of Rs. 8-3-7 per proof gallon, of which Rs. 5-8-10 derived from duty.

In 1933, the total issues of country spirit in distillery areas amounted to 305,570 proof gallons, compared with 1,201,346 proof gallons issued from distilleries in 1912-13. The total revenue derived therefrom amounted to Rs. 17·55 lakhs in 1933 (giving an average taxation of Rs. 8-0-11 per proof gallon) against Rs. 74·59 lakhs in the year 1912-13 (giving an average taxation of Rs. 6-3-4 per proof gallon). (See statements VI and VII.)

The average consumption of country spirit per 100 of the population during the year 1934 was 2·07 proof gallons against 1·99 proof gallons in the preceding year and 8·63 proof gallons in the year 1912-13. The consumption in the province as a whole in 1934 shows an increase of 4 per cent over that of the preceding year and it is 74·6 per cent less than that in the year 1912-13. The chief factor which contributed to the decrease was the general economic depression.

268. *Number of shops.*—The number of shops licensed for the retail sale of country spirit was 1,934 in 1934 against 1,927 in the preceding year and 3,759 in the year 1912-13. In 1934 the average number of shops per 100,000 of population was 12·47 against 12·43 in the preceding year and 27·01 in 1912-13. (See statement III.)

269. *Excise arrangements in Zamindaris and Feudatory States.*—The Excise privileges throughout the zamindaris were disposed of in the same manner as in the *khalsa*. No control was exercised over country liquor arrangements in the Feudatory States.

Tari.

270. The liquor made by simple fermentation from the sap of palm trees was subject to taxation. The consumption of this liquor was confined almost entirely to the Nagpur, Bhandara, Chanda, Wardha, Jubbulpore, Chhindwara, Hoshangabad, Nimar and Saugor districts of the Central Provinces, and to the four districts of Berar. The Nagpur district was the most important in this connection and produced 26 per cent of the *tari* revenue of the province in 1934. The right to manufacture and sell *tari* was sold by auction. The purchasers of the monopoly made their own arrangements with the owners of the *tari* trees, and were also permitted to tap trees on Government waste lands. With effect from the 1st October 1926 a general rate of Rs. 2 per tree has been sanctioned by the Local Government as royalty to be realized by the Forest Department from vendors for *tari* trees tapped in Government forest.

271. The tree-tax system was first introduced in the Wardha district and the Chandur taluq of the Amraoti district in 1916-17. In 1934 it was in force in the whole of the Nagpur, Chanda, except certain villages inhabited by primitive tribes, Wardha, Yeotmal and Akola districts and in the whole of the Amraoti district except the Melghat taluq and in the Chhindwara and Saugar tahsils of the Chhindwara district.

In 1934 the *tari* revenue was composed of Rs. 66,011 derived from the tree-tax, and Rs. 2,57,249 obtained in the form of licence fees. In 1933 the receipts from the tree-tax amounted to Rs. ·74 lakhs, and those from license fees to Rs. 2·70 lakhs. In 1912-13 the Government revenue from *tari* (Rs. 1·68 lakhs) consisted only of the license fees paid for the right of manufacture and vend.

272. *Consumption and number of shops.*—The total provincial consumption of *tari* during the year 1934 was estimated at 696,987 gallons against 704,917 gallons in the preceding year and 1,548,291 gallons in 1912-13. The estimate is only approximate. The decrease in consumption of *tari* in 1934 was due to the unfavourable economic conditions and the diversion of custom to illicit country spirit. The total number of *tari* shops in 1934 was 329 against 325 in the year 1933 and 493 in the year 1912-13.

273. *Working of the tree-tax system and changes introduced.*—The tree-tax system continued in force in seven districts, as in the previous year. No change was made in the tax per tree except in the Wardha district where it was reduced from Rs. 6 to Rs. 5 from the 1st October 1933. With effect from 1st October 1934, the rates of tree-tax were reduced from Rs. 6 to Rs. 4 in the Nagpur, Akola and Amraoti (except Melghat taluq) districts and in Warora tahsil of the Chanda district, from Rs. 5 to Rs. 4 in the Wardha district, from Rs. 4 to Rs. 3 in the Yeotmal district except Pusad taluq, and from Rs. 3 to Rs. 2 in the Chanda, Brahmapuri and Garchiroli tahsils of the Chanda district. Contractors had no difficulty in securing trees from private owners at reasonable rates.

Foreign Liquor.

274. *Classification and vend arrangements.*—The expression "foreign liquor" in the Central Provinces includes not only liquor imported by sea, but also spirit made in India and treated so as to resemble spirit so imported, and country-brewed beer or beer imported in a condensed form and afterwards converted into potable beer, and tonic wines and similar preparations, which contains 20 per cent and upwards of proof spirit. There were twelve kinds of licenses under which foreign liquor was sold in the Central Provinces, *viz.*, an "off" license, a public house license, a hotel and refreshment room license, a dák bungalow license, an occasional license, a chemist's and druggist's license for the sale of rectified spirits, a license for the sale of tonic wines, license for sale exclusively for medicinal purposes, a canteen tenant's license, bottling license, a special license, and a license for the wholesale vend of Indian-made foreign liquor.

In 1912-13, the scale of fees for the "off" license and public house license for different localities was prescribed by the Commissioner of Excise, and the hotel and refreshment room license, rectified spirits license, tonic wines license and canteen tenant's license were granted on fixed fees of Rs. 50, Rs. 5, Rs. 15 and Rs. 24 per annum respectively.

In the Central Provinces, with effect from the 1st January 1925, a system of assessment of license fees on each bottle imported for sale was introduced for foreign liquor licenses in forms F. L. 1, F. L. 2 and F. L. 3.

The following scale of fees was fixed in the Central Provinces:—

Kind of license.	Kind of liquor.	Rate of license fees per quart bottle.	
		1933.	1934.
		Rs. A. P.	
F. L. I.	Malt liquor (beer, ale, stout and porter) and cider.	0 2 0	The rates of license fees per bottle remained the same.
	Foreign liquor other than malt liquor	0 8 0	
F. L. 2 and F. L. 3	Malt liquor (beer, ale, stout and porter) and cider.	0 0	
	Foreign liquor other than malt liquor	0 12 0	

The rate per pint was half of that for a quart.

Rectified spirit licenses, tonic wines licenses and canteen tenant's license were granted on fixed fees of Rs. 5, Rs. 15 and Rs. 24 per annum, respectively.

In Berar the right of vend under the "off" licenses was disposed of by unrestricted public auction except at Amraoti where the shop was given on the fee per bottle system. In the Central Provinces shops were assessed on the fee-per-bottle system, except in Chanda, Nimar and Raipur where the shops were disposed of by public auction.

European liquors pay a considerable duty at the seaports, and no attempt was made to recover Excise duty on them in the Central Provinces and Berar. The chief concern of the Administration with regard to them was to ensure that their sale was only entrusted to proper persons, and not unduly pushed. In 1934 there were 29 licenses covering retail sale, of which 2 permitted consumption on the premises during the year. There were also 29 licenses issued to hotels and refreshment rooms. The total license fee collection in 1934 amounted to Rs. 32,988. In 1933 there were 28 licenses for the retail sale of foreign liquors against 71 in 1912-13. The total license fees in 1933 amounted to Rs. 45,243 against Rs. 14,000 in 1912-13.

275. *Consumption.*—The consumption of imported foreign spirits in 1934 increased from 3,771 proof gallons in 1933 to 3,784 and that of imported wines increased to 714 from 634 in 1933. The consumption of imported beer in 1934 decreased from 40,868 in 1933 to 40,323 gallons. In 1912-13 the sales of foreign wines, spirits and beer under shop licenses amounted to 4,482, 26,623 and 22,789 gallons, respectively.

276. *Indian rum.*—The only foreign liquor of Indian manufacture that was imported in 1934 was rum from the Rosa distillery at Shahjahanpur in the United Provinces and beer from the Solan brewery in the Punjab.

Under the system introduced in 1923 the import of Indian-made foreign liquor into the Central Provinces and Berar was prohibited, except on bond or on prepayment of duty in the province. The total duty collected in 1934 amounted to Rs. 33,796 against Rs. 30,756 in 1933. In 1912-13, no duty was realized locally on such imports. The system of recovering duty on Indian-made beer in this province was introduced in September 1929,

and Rs. 16,374 were recovered in 1934 as against Rs. 9,782 in 1933. It is imported from the Punjab, the United Provinces and Central India on prepayment of duty which is credited to this province through exchange account.

277. *Denatured spirits.*—Spirits rendered permanently unfit for human consumption by the admixture of caoutchoucine, or in special cases of woodnaphtha, have from the year 1906 been excluded from the class "foreign liquor". Such spirits were imported into the Central Provinces and Berar from the Rosa distillery, Baroda State, and from shops in Bombay and Calcutta, and allowed to be sold under separate licenses issued free of fee. Possession by unlicensed persons was restricted to two gallons. The sale of such spirits amounted to 45,137 gallons in 1934, against 34,712 gallons in the preceding year and 1,779 gallons in the year 1912-13.

278. *Locally produced malt liquor.*—A brewery was started at Jubbulpore in 1896. The duty on issue was levied at the tariff rate for beer of 3 annas per gallon. The duty receipts in 1912-13 were Rs. 01 lakh. No beer was manufactured in Berar. This brewery was closed from the 1st April 1915. In 1934 no beer was manufactured in the Central Provinces and Berar.

279. *Temperance movement.*—No educative propaganda in favour of temperance was organized by the public generally or by leaders interested in the prohibition issue and the Excise Department could not count on active private help or support in its campaign against the increasing tide of illicit distillation or against the smuggling of *charas*. In two or three districts there was however some effort at temperance propaganda on the part of individual groups. In Bilaspur some of the aboriginal tribes in backward tracts and some sects of chamars made attempts to persuade their caste people to abstain from liquor, but with indifferent success. The work of the Women's Christian Temperance Union at Jubbulpore has been rewarded by a grant-in-aid. A branch of the same union has been started at Khandwa. This will also receive a grant-in-aid. Lectures were given and posters on temperance were distributed broadcast by the Public Health Department. Leaflets describing the evil effects of *charas* smoking were also circulated by Government agency. There was no anti-Excise movement anywhere. Government has imposed restriction on the consumption not only of liquor but also of more deleterious intoxicating drugs by the permanent closure of numbers of shops, the temporary closure of others on the occasions of fairs and festivals, the enhancement of duties, the curtailment of hours of sale, the reduction of the strength of country spirit, the sale of country spirit in sealed bottles for consumption off the premises in important towns, the prohibition of opium smoking in a company of two or more persons, etc.

280. *Important changes.*—The principal changes made in Excise Administration during the year 1934 were:—

(i) In order to deal more effectively with habitual excise offenders, the Central Provinces Excise Act, 1915 (II of 1915), was amended by the Central Provinces Excise (Amendment) Act, VI of 1934.

(ii) The rates of issue prices of country spirit were reduced for the province as a whole by 2 per cent.

(iii) Fifteen liquor shops, 5 *tari* shops and 4 drug shops were closed. Twenty-two country spirit, 9 tari and 6 drug shops were opened.

281. *Important debate on resolution.*—In August 1921, a resolution recommending the total and immediate prohibition of the sale of country spirit was moved in the Legislative Council. As a compromise Government agreed to accept prohibition of country liquor as the goal of their policy and this policy has been pursued ever since.

282. *Offences and convictions.*—The number of persons prosecuted for offences under the Excise, Opium and Dangerous Drugs Acts was 6,735 against 6,591 in 1933 and 957 in the year 1912-13. Of these the number of persons convicted was 5,133 in 1934 against 5,168 in the preceding year and 768 in the year 1912-13.

The percentage of convictions to prosecutions was 76 in 1934, against 84 in 1933 and 80 in 1912-13.

The number of illicit distillation cases in 1934 was 4,006 against 3,745 in 1933. The number of cases relating to smuggling of liquor was 250 against 232 in 1933 and 151 in 1912-13.

283. *Location of shops.*—The rules as to location of shops were practically the same. It is laid down that "all such sites for the sale of liquor should be avoided as might likely be to obtrude unnecessarily the vend of spirits upon the notice of passers by, and thus unduly stimulate the demand". Existing arrangements as to shops in one year are taken as the basis for the next year. The rules provide for changes at any time on account of legitimate objections which may be urged by the inhabitants of any town or village but such objections are few. Under the orders of Government, Excise Advisory Committees are constituted for the rural and urban areas of every district.

284. *Administrative agency.*—Excise in the Central Provinces and Berar is in the charge of an Excise Commissioner, under whose supervision and advice district officers conduct the local administration. The post of the Distillery Expert has been abolished, consequent on the retirement of the last incumbent, but the duties performed by him are now discharged by a select post District Excise Officer who receives a special allowance above the ordinary pay of his grade. A Superintendent of Excise Crime is in charge of preventive work. In each district there is a District Excise Officer who is assisted by an Inspector of Excise in important districts. For executive work the district is divided into circles with a Sub-Inspector in charge of each and one or two peons to aid him.

285. *Average total Excise revenue.*—Calculated on the census figures of 1931, the total average Excise revenue per head of the population in 1934, was about Re. 0-5-11 of which a little over third was derived from liquor. In 1933 the average total Excise revenue per head of the population was about Re. 0-5-9 against Re. 0-12-2 in 1912-13.

CHAPTER X.

ASSAM.

286. *Excise revenue.*—The gross Excise revenue in 1934-35, amounted to 32·30 lakhs and was realised under the following main heads:—

Heads.	Revenue in lakhs of rupees.	Percentage of total excise revenue.
1. Country spirit	11·62	35·97
2. Country fermented liquor (*Tari* and *Pâchwai*)	·06	·19
3. Foreign liquor	·34	1·05
4. Opium and its preparation . . .	16·14	49·97
5. Hemp drugs	3·73	11·55
6. Miscellaneous	·41	1·27
Total .	32·30	100·00

In the previous year the total Excise revenue amounted to Rs. 35·13 of which Rs. 12·11 lakhs (representing 34·45 per cent. of the total Excise revenue) was revenue from Country Spirit. In 1912-13 the total Excise revenue was Rs. 48·52 lakhs of which 14·07 lakhs (representing 29·0 per cent of the total Excise revenue) was from Country Spirit. This memorandum is concerned only with the first three items of the heads mentioned above.

287. *Law regulating liquor traffic.*—The liquor traffic in Assam except in the Naga Hills, the Khasi and Jaintia Hills and the Lushai Hills was regulated by the Eastern Bengal and Assam Excise Act (I of 1910) which was brought into force in the plains districts of the province with effect from the 1st April 1912, and in the North Cachar Hills Sub-division, the Dibrugarh Frontier Tract, the Mikir Hills in the Nowgong and Sibsagar districts and the Garo Hills district from the 1st January 1913. In the remaining Hills and Frontier areas of the province in which the Act is not in force *proprio vigore*, *viz.*—the Khasi and Jaintia Hills, the Naga Hills, the Lushai Hills and the Sadiya and Balipara Frontier Tracts, the Excise Administration is conducted under the executive orders of the district officers concerned.

Country Spirit.

288. *Definition of 'Country Spirits'.*—Country spirit is plain spirit manufactured by the European or Indian process of distillation from materials which are recognised as bases for the preparation thereof, such as the *Mahua* flower (Bassin latifolia), or molasses.

289. *System under which country spirit revenue was realised.*—The manufacture and sale of country spirit were carried on in Assam under two systems, *viz.*, the contract supply system and the outstill system.

290. *Contract supply system.*—The contract supply system was in force throughout the province except in a small part of the North Lakhimpur sub-division of the Lakhimpur district, the Khasi and Jaintia Hills, the Lushai Hills and the Hill portions of the Naga and Garo Hills districts. In the contract supply area the spirit was supplied from the

distillery of Messrs. Hajee Ismail Sait and Sons, Calcutta, who received Re. 1-9-6 per L. P. gallon as the cost price of the spirit issued to the retailer. The issue strengths throughout the contract area were 30° U. P. and 60° U. P. Each retail shop was settled separately by a system of tenders with the advice of the Advisory Committee subject to a reserved price, the contractors being prohibited from acquiring any interest in the retail sale. All the shops were settled for one year under the vend fee system. The limit of retail sale of distillery liquor in most districts was fixed at three reputed quart bottles per person on one day but in some areas this was reduced to one quart bottle per person a day. 257 shops were licensed for the retail sale of distillery liquor against 246 in 1933-34 and 179 in 1912-13. As in the previous year the maximum retail prices were fixed at annas 12 and Re. 1-5 per reputed quart of 60° U. P. and 30° U. P. spirit respectively. In 1912-13, the corresponding prices were As. 8 and Re. 1-2. The minimum retail prices of 60° U. P. and 30° U. P. liquor were annas 10 and Re. 1-1 per reputed quart respectively against As. 8 and As. 12 in 1912-13. In most of the contract supply areas sales were made direct from the barrel but in Dibrugarh, Gauhati and Sylhet Towns a system of selling the liquor in sealed bottles —the liquor being bottled in the premises by the lessee—was in force. [The sliding scale system of settlement of these shops was abolished and the ordinary vend fee system of settlement was introduced in its place with effect from 1st April 1933. The central bottling system under which liquor is despatched in cases of sealed bottles from the bottling factory direct to the shops was in operation in the Tinsukia Warehouse in Lakhimpur district and supplied liquor to 11 shops (including 1 lessee-manager) in the neighbourhood. This system has proved most successful and the only drawback is that it is limited, on account of the cost of transport of the cases to shops within a radius of roughly 25 miles from the warehouse.]

291. *Outstill System.*—The outstill system was in force in the remaining portions of the province. The areas under the outstill system in the years 1933-34 and 1934-35 were 11,478 sq. miles against 14,157 sq. miles in 1912-13. The right to work a still and sell country spirit at a fixed place was put up to limited auction at a fixed upset price and settled for one year. In order to guard against monopolies and to secure a respectable class of vendors the Deputy Commissioner was empowered to refuse o accept the highest or any bid. In the Khasi and Jaintia Hills license fees were imposed at rates varying from Rs. 105 to Rs. 260 per still in different localities. The limit of retail sale of outstill liquor was three reputed quart bottles except in the station of Shillong where the limit was one reputed quart bottle. The minimum retail selling price of outstill liquor was As. 12 per reputed quart bottle except in the Khasi and Jaintia Hills where the minimum price was Re. 1.

292. *Canteen System.*—The system of settlement without auction of licenses with tea garden managers for the sale of country spirit to their gardens was continued. There are two systems in force, one known as the canteen system under which the liquor is sold direct by the management and the other the lessee-manager system under which the liquor is sold by a vendor but under the general control of the management. At the close of the year there were 15 canteens and 15 lessee-manager shops in operation compared with 15 canteens and 13 lessee-manager shops in the previous year. The lessee-manager type of canteen has been proved to be more satisfactory than the canteen type but except in Lakhimpur district

very little progress has been made. The introduction of the system of lessee-manager shops on tea gardens is the real remedy against illicit practices on gardens and at the same time it gives the garden authorities ample power of control.

293. *Distilleries.*—There were no distilleries in the province since the closure of the Central Distillery at Jorhat (Sibsagar) in 1918. The spirit required is obtained from the Russa distillery in Calcutta.

294. *Excise Warehouses.*—These were maintained at convenient centres. Overproof spirit from the distillery was received in these warehouses and was there reduced to the required strength before issue to the retail vendors. All warehouses were in charge of an officer of the Excise Department.

295. *Rate of still-head duty.*—As in the previous year the rate of still-head duty in the contract supply area was Rs. 5-12-6 per L. P. gallon against Rs. 3-2 per L. P. gallon in 1912-13.

296. *Consumption.*—The issues of distillery spirit in 1934-35 amounted to 1,34,471 L. P. gallons as compared with 1,35,501 L. P. gallons in the previous year and 2,47,363 L. P. gallons in 1912-13. The average consumption of country spirit per 100 of the population in 1934-35 was 1·66 L. P. gallons against 1·68 L. P. gallons in 1933-34 and 3·68 L. P. gallons in 1912-13. The figures in the Excise Administration Report are for the population of the distillery areas only. The main reasons for the decrease in consumption are:—

(i) the lack of money among the consuming classes (chiefly tea garden coolies and *ex*-coolies) due to the economic position of the tea industry;

(ii) the high price of Government excise liquor;

(iii) the low price of rice which encouraged illicit distillation and the brewing and sale of *pachwai* in excess of the limits prescribed by the law.

The taxation realised on country spirit in 1934-35 was Rs. 7·78 lakhs from duty and Rs. 3·14 lakhs from vend fees. The average taxation per proof gallon was therefore Rs. 8-1-9 of which Rs. 5-12-6 was derived from duty. The total receipt from country spirit in distillery areas in 1933-34 amounted to Rs. 11·42 lakhs against Rs. 13·81 lakhs in 1912-13. The average taxation per proof gallon in 1933-34 was Rs. 8-6-9 (Rs. 5-12-6 from duty) against Rs. 5-9-4 (Rs. 3-2-1 from duty) in 1912-13. The receipts in outstill areas in 1934-35 amounted to ·71 lakhs against ·69 in 1933-34 and 0·26 lakhs in 1912-13.

Country Fermented Liquor.

297. *Tari.*—The consumption of fermented *tari* was practically negligible and only 11 retail licenses were issued. *Tari* is drunk primarily by foreigners to the province. Receipts from license fees for *Tari* amounted only to Rs. 5,651 compared with Rs. 5,328 in 1933-34 and Rs. 105 in 1912-13.

298. *Pachwai.*—*Pachwai* known generally in Assam as *Laopani* or *Zu* is a fermented liquor usually brewed from rice. No license was issued in 1934-35 for the manufacture or retail sale of this liquor, as the home-brewing of *pachwai* by tea-garden labourers and certain backward tribes did not require any license. The limit of free brewing of *pachwai* was restricted with effect from 1st April 1933 to one seer undiluted or 3 seers

diluted per person subject to a maximum of 4 seers undiluted or 12 seers diluted for any one family living and eating together. The ordinary brewers and consumers of *pachwai*—most of whom were tea garden coolies and *ex*-coolies, Kacharis, Garos and other backward tribes, had however no knowledge of these refinements and pursued the even tenor of their way—that is to say they brewed as much as they had a mind to. There could be no doubt that owing to the fact that the price of country spirit had remained unaltered since 1921 in spite of the general fall of other commodities the brewing and sale of *pachwai* among the poorer classes of consumers of country spirit had become a profitable occupation. Furthermore, owing to the lowering of the general level of wages in tea gardens and to the fact that many garden coolies were not fully employed and had ample leisure for the brewing of *pachwai* in excessive quantities and the illicit distillation of liquor had become rampant in the gardens. Special measures were taken to deal with illicit distillation and if these are not successful the only remedy would be to reduce the retail price of country spirit.

Foreign Liquor.

299. *Supply and duty.*—The term "foreign liquor" includes liquor imported into India and also certain Indian made liquors classified as "Foreign Liquor". No "foreign" liquor was manufactured in the province. Duty on Indian made foreign liquor paid in other provinces such as Bengal and the United Provinces was recovered and credited in favour of the Government of Assam. Foreign liquor imported from outside India paid duty under the Tariff Act and this was credited to the Central Government as Customs Revenue.

300. *Vend arrangements.*—Licenses were of two kinds—wholesale and retail, the former covering sales in excess of two gallons or 12 reputed quart bottles. Both forms of licenses were settled under a fixed fee system, fees being realised monthly in case of retail and annually in case of wholesale licenses. Special licenses on fixed fees were also granted for the sale of foreign liquor in railway refreshment rooms, dining cars and on board steamers. Licenses were issued to dak bungalows free of charge. The total number of licenses (of all sorts) for the retail sale of potable foreign liquors was 121 in 1934-35 against 125 in the previous year and 101 in 1912-13.

301. *Consumption.*—The total consumption of potable foreign liquor purchased from licensees in the province was 52,061 gross gallons in 1934-35 against 51,765 in 1933-34 and 41,324 gross gallons in 1912-13.

302. *Medicated Wines.*—The number of licenses for the sale of medicated wines was 52 against 32 in 1933-34 and 6 in 1912-13. In 1934-35 two hundred and ninety-six gallons were sold against 342 gallons in 1933-34. Sixteen licenses were issued for the possession of rectified spirit against 17 (revised) in 1933-34. Chemists and druggists were required to take out licenses for the sale of rectified spirit. Civil Surgeons and medical officers in charge of Government medical institutions could import and store rectified spirit and absolute alcohol required for the purposes of the institutions under their charge without a pass and certain approved institutions were exempted from the payment of duty for import of rectified spirit.

303. *Denatured spirit.*—Two hundred and thirty-one licenses were issued for the sale of denatured spirit and for the possession of such spirit in excess of the legal limit as against 206 in 1933-34 and 26 in 1912-13.

The sale of denatured spirit amounted to 10,553 gallons against 8,838 gallons in 1933-34 and 976 gallons in 1912-13. No duty was levied by the Government of Assam on denatured spirit or on spirit contained in medicinal preparations imported into the province. There was no evidence that denatured spirit was used as an intoxicant.

Location of Excise shops.

304. Sites were selected by the district executive authorities in consultation with local self governing bodies. The opinion of such bodies was always taken into consideration and every effort was made to conform to their recommendations if based on reasonable grounds.

Administrative Agency.

305. Excise in Assam is a transferred subject. The Department is in charge of an Excise Commissioner under whose supervision and advice district officers conducted the administration of Excise in their districts. The following staff was employed in the districts during the year.

Six Superintendents, 30 Inspectors, 21 (including two temporary) Sub-Inspectors and one Supervisor besides numerous petty officers and peons. In addition there was a special branch consisting of 1 Superintendent, 3 Inspectors and 4 Sub-Inspectors and one temporary special officer of rank similar to Sub-Inspector of Excise whose main duty was to detect and prevent opium smuggling.

306. *Important Administrative changes.*—There was no administrative change during the year worthy of mention.

307. *Offences and Convictions.*—During the year 2,502 persons were arrested under the Excise and Opium Laws as against 2,213 in the preceding year and 319 in 1912-13. Convictions were obtained in the case of 2,298 or 91·8 per cent. of the persons arrested in 1934-35 as compared with 2,018 or 91·1 per cent. of the persons arrested in 1933-34 and 343 or 89·2 per cent. of persons arrested in 1912-13. The number of cases of unlicensed manufacture and sale of country spirit was 599 during the year against 547 in 1933-34 and 62 in 1912-13, and cases of illegal possession of country spirit were 51 against 42 in the preceding year and 50 in 1912-13. The total number of offences relating to intoxicating liquor was 1,682 in 1934-35 as compared with 1,283 in 1933-34 and 233 in 1912-13.

308. *Incidence of Excise revenue per head.*—Calculated on the population according to the Census figures of 1931 the incidence of Excise revenue in 1934-35 was Re. 0-5-11 per head of which 35·98 per cent. was derived from liquor. In 1933-34, the incidence per head was Rs. 0-6-5 (of which 34·45 per cent. was from liquor) and in 1912-13 Re. 0-11-9 (of which 29·00 was derived from liquor).

CHAPTER XI.

NORTH-WEST FRONTIER PROVINCE.

309. *Excise Revenue.*—Including the duty on spirits imported into the N.-W. F. Province from the distilleries in the Punjab and United Provinces (3·79 lakhs) which was credited to the Provinces of export, and subsequently recovered by book transfer, the excise revenue of the N.-W. F. Province, for the year 1934-35 was:—

Heads.	Receipts in lakhs of rupees.	Percentage of total excise revenues.
Country spirit	4·02	49·02
Imported liquor	2·16	26·34
Opium and its preparations	1·22	14·88
Hemp drugs	·78	9·76
Miscellaneous	·02	
Total	8·20	100·00

310. In 1933-34, the total excise revenue of the N.-W. F. P. (including 3·61 lakhs as duty realised from spirits imported from the Punjab and United Provinces) was 8·32 lakhs against 5·23 lakhs (including 1·19 lakhs as duty on spirits imported from the Punjab) in 1912-13. The revenue from country spirits in 1933-34 amounted to 3·85 lakhs as against 2·23 lakhs in 1912-13, representing 46·27 and 42·6 per cent. of the total excise revenue. This memorandum is concerned with the first two items above.

311. *Law regulating liquor traffic.*—The liquor traffic in the North-West Frontier Province was regulated by the Punjab Excise Act (I of 1914), as extended to the N.-W. F. P. by Chief Commissioner's Notification No. 120-Exc., dated the 8th/9th February 1915.

312. *Definition of country spirit.*—As in the Punjab the term 'country spirit' denotes potable spirit distilled in India from *Gur*—,Molasses or *Mahua*, whether plain or special (*i.e.*, spices flavoured or coloured with or without caramel to suit a special Indian taste) provided that it is not described by the name of any imported spirit and does not resemble such spirit or give rise to the impression that it is similar in character to such spirit. The receipt from this source amounted to 4·02 lakhs in 1934-35 of which 2·19 lakhs were realised from duty and 1·83 lakhs from vend license fee. Duty in respect of liquor imported into the N.-W. F. Province was originally collected in the manufacturing province and subsequently credited to this Province by book transfer. In 1933-34, the revenue from vend license fee amounted to 2·05 lakhs as compared with 1·04 lakhs in 1912-13.

313. *Distillery system and source of supply.*—There being no distilleries in the N.-W. F. Province, its country spirit requirements were wholly met from the Punjab. Small imports of Indian made Foreign spirits were also made from the Rosa distiilery in the United Provinces. The sum of Rs. 2,552-15-0 paid during the year as stillhead duty in the United Provinces was mostly on account of coloured rum imported for the use of troops. In 1933-34, a sum of Rs. 2,502 was paid in the United Provinces on this account. In 1912-13, 71 gallons of methylated spirits were imported from the Rosa Distillery in the United Provinces.

314. *Rate of stillhead duty.*—The rate of stillhead duty payable on country spirit imported from the Punjab or the United Provinces in the years 1933-34 and 1934-35 was Rs. 6-4 per proof gallon. All other spirits so imported paid duty at the tariff rate of 17·5 per gallon. In 1912-13, the rate of stillhead duty payable on country spirit from the Punjab or the United Provinces was Rs. 5 per proof gallon while all other spirits so imported paid duty at the tariff rate of Rs. 9·37 per proof gallon.

315. *Wholesale vend.*—Wholesale licenses for the vend of country spirit to the public were issued at a fixed fee of Rs. 50 per annum, for each license. The wholesale licensee could obtain supplies of spirit from the distilleries in the Punjab or in the United Provinces, or from a wholesale vend depot established in the former province and could sell to wholesale and retail vendors in quantities of not less than two imperial gallons at a time. Wholesale licenses were, however, not much sought after because the retail vendors preferred to obtain their supplies, especially of cask-liquor direct from the distillery in the Punjab without the intervention of the wholesale licensees. In 1934-35 only one such license was issued. In 1912-13 there were five such licenses.

316. *Retail vend.*—The number of shops for retail vend varied from time to time with the requirements of each district; new shops being opened and old ones closed as circumstances required. Before the commencement of each financial year, licenses for retail vend during the coming year were, as a rule, put up to auction separately, though the shops of the whole district or of any specified area within it were leased together, if this course appeared desirable. Monopolies of retail vend in certain cases were granted. No leases for a period in excess of one year were granted. The number of retail shops for the vend of country spirit in the years 1933-34 and 1934-35 was 30 as against 37 in 1912-13.

317. *Consumption and average taxation.*—The quantity of country spirit sold in the N.-W. F. Province in 1934-35 was 28,717 proof gallons as against 23,876 gallons in the preceding year and 24,296 proof gallons in the year 1912-13. The average consumption of country spirit per hundred of the population in 1912-13, 1933-34 and 1934-35 was 1·11, ·99 and 1·17 proof gallons respectively. The average taxation per proof gallon from vend fees only was 6·38 in 1934-35 as against 8·65 in the preceding year and 4·29 in 1912-13; adding to this the duty of Rs. 6-4 in 1933-34 and 1934-35 and Rs. 5 in 1912-13, per proof gallon, the total taxation per proof gallon amounted to 13·99 in 1934-35 as against 16·15 in 1933-34 and 9·29 in 1912-13.

Other liquors.

318. *Indian fermented liquor.*—No Indian fermented liquors were used in the Province.

319. *Imported liquors.*—In the N.-W. F. Province, as elsewhere, the excise revenue derived from foreign liquors consisted only of the license fees paid for the right of sale; the import duty on imported liquors being levied under the Indian Tariff Act and credited to 'Customs' revenue; still head duty on Indian made foreign liquors, including beer, excised at tariff rates was realised in the Province of production. A sum of 1·63 lakhs was recovered in the Punjab and United Provinces on this account from the imports made into the N.-W. F. Province against 1·81 lakhs in the year 1933-34.

The receipts from fees for licenses to sell imported liquors by wholesale or retail in 1934-35 amounted to Rs. 40,657 against Rs. 49,119 in the preceding year and Rs. 45,000 in 1912-13.

320. *Vend arrangements and consumption.*—Sales of imported foreign liquors were as under:—

	1916-17.	1933-34.	1934-35.
Wines (Imperial gallons) . .	2,351	3,623	3,591
Malt liquors	4,841	72,615	73,611
Spirits	10,219	12,654	11,227

321. *Indian beer.*—There were no breweries in the Province but Malt liquors were imported from the Murree Brewery in the Punjab on payment of duty at As. 12 per gallon at the place of production. 170,019 gallons of this liquor were sold during 1934-35 in the Province. In 1933-34 164,202 gallons of this liquor were sold as compared with 59,628 gallons in 1912-13. The quantity of beer imported from the Punjab on payment of duty amounted to 183,546·04 gallons.

322. *Medicated wines.*—Medicated wines containing alcohol in quantities exceeding 10 per cent. but not exceeding 21 per cent. by weight (equivalent of 42 per cent. of proof spirit) were sold under licenses granted by Collectors on payment of a fee of Rs. 50 per annum.

323. *Location of liquor shops.*—The number and sites of all licensed liquor shops are fixed annually by the Collector, but in practice few alterations either in number or site are made from year to year. In 1934-35 there were no local advisory committees in any district but their place was taken by the Municipal Committees and District Boards. Before opening a new shop, notice was given to the residents of the locality, in case they wished to show cause against the shop being opened.

324. The accounts were adjusted by book transfer as last year, and no change occurred during the year under report.

325. *Offences and convictions.*—The total number of persons prosecuted for offences in respect of intoxicating liquors in 1934-35 was 28 as against 27 in the previous year and 13 in the year 1912-13. The number of convictions was 23 in 1934-35 and 19 in 1933-34 and 12 in the year 1912-13. The number of persons convicted for drunkenness in the Municipal areas in the N.-W. F. Province in 1934-35 was 27 as against 37 in 1933-34 and 96 in 1912-13. Out of 25 cases in 1934-35 tried for offences relating to intoxicating liquors, all related to illicit possession, sale or adulteration of country spirit.

326. *Administrative Agency.*—The Province had no separate Excise Commissioner, the office being merged in that of the Revenue Commissioner. The preventive establishment consisted of an Excise Inspector and an Excise Sub-Inspector and a few peons in each district. Dera Ismail Khan was, however, without an Inspector, while the Sub-Inspector of Thall in the Kohat District was also entrusted with Customs and Tirni collection work and the supervision of a few excise shops in the Hangu Tahsil. The post of the Excise Sub-Inspector in the Bannu District was retrenched as a measure of economy in December, 1931 and since then the Inspector has had to control both the district and the North Waziristan Agency. There

was also a Detective Excise Inspector and two Detective Excise Sub-Inspectors attached to the Excise Intelligence Bureau, for the check of inter-provincial smuggling of contraband drugs. One of these Detective Sub-Inspectors was deputed to Swabi in the Peshawar District to cope with the smuggling of *charas* from the Malakand Agency. In the Peshawar District there was two more Sub-Inspectors to deal with the smuggling of *charas* from the Mohmand and Swat borders and also to supervise the liquor, opium and hemp drugs vends of Charsadda, Nowshera and Mardan Circles. There were also two Lady Special Ticket Examiners on the Railway lines in the N.-W. F. Province to check the smuggling of contraband drugs through the females. Half of the cost of these Lady detectives was borne by the Railway Administration who also utilized them to check the tickets of female passengers in trains.

In order to check the flow of contraband *charas* from across the Central Asia to British India through the Malakand Agency as also to prevent the illicit traffic in this drug in the Agency itself, an Excise Inspector was deputed from the Excise Intelligence Bureau, N.-W. F. P. to work under the executive control of the Political Agent. The Government of India sanctioned the appointment of Excise Staff for the Malakand Agency for one year with effect from the 7th July 1934, in the first instance.

There was also a Superintendent of Excise who supervised all branches of Excise and Customs in the Districts and Agencies of the N.-W. F. Province. He was also the Officer-in-charge of the Excise Intelligence Bureau opened since 1913 to collate information relating to the smuggling of excisable articles within and outside the Province. The Bureau formed a part of the Office of the Revenue Commissioner, N.-W. F. Province.

Calculated on the census and the revenue figures given above, the average total of excise revenue realised in the Province in 1934-35 was Re. 0-5-3 per head of population of which 53·56 per cent was derived from the manufacture of licensed vend of liquors.

In 1933-34 the average total excise revenue per head of population was Re. 0-5-5 of which 76·32 per cent was derived from liquors against Re. 0-3-8 of which about 50 per cent was derived from liquors in 1912-13.

CHAPTER XII.

DELHI.

327. *Excise Revenue.*—The total excise revenue of Delhi Province as realised under the following heads was Rs. 6·76 lakhs. This excludes Rs. 2,70,911-15-0 on account of the still-head duty recoverable by book transfer from other provinces on spirits imported into Delhi province during the year under report.

Heads.	Receipts in lakhs of rupees.	Percentage of total excise revenue.
1. Spirit made in British India . . .	2·73	40·24
2. Imported spirit including beer . . .	0·52	7·6
3. Opium and its preparations . . .	1·67	24·63
4. Hemp drugs	1·83	27·7
5. Fines and Miscellaneous	0·01	..
Total .	6·76	100·17

Still-head duty from the Punjab and United Provinces.—The figures of the total excise revenue (excluding duty realised in other provinces by book transfer) for the year 1934-35 compared with those of 1912-13 and 1933-34 may be summarised as below:—

	1912-13.	1933-34.	1934-35.
1. Spirit made in India . . .	1·53	2·62	2·73
2. Imported foreign spirit including beer	·22	·46	·52
3. Opium and its preparations .	·72	1·78	1·67
4. Hemp drugs	·68	1·71	1·83
5. Fines and Miscellaneous . .	..	..	..
Total .	3·15	6·58	6·76

This memoranda is concerned only with the first two items above.

328. *Law relating to liquor traffic.*—The liquor traffic in the Delhi Province was regulated by the Punjab Excise Act, I of 1914, as applied to Delhi Province and by rules framed thereunder.

329. *System and source of supply.*—There was no distillery in Delhi Province. All spirits consumed were imported from the Punjab and the United Provinces on payment of duty in those provinces. The country spirit revenue of the province consisted of receipts from the license fees and still head duty realised from the exporting provinces by book transfer credit.

330. *Wholesale vend.*—There were three wholesale licensees in the province for the vend of country spirit to the trade only. These licenses were granted on a fixed fee of Rs. 50. The wholesaler could obtain his supply of spirit either from the distilleries in the Punjab or from Rosa distillery in the United Provinces or from a wholesale vend depot situated in the province. He could sell to wholesale and retail vendors in quantities larger than the limit fixed for retail sale.

331. *Retail vend.*—The number of retail licenses for vend of country spirit during the year 1912-13 was 15 as against 10 during 1934-35. All these licenses were disposed of by public auction. Monopolies for retail vend of country spirit were not permitted to be formed. Licenses were granted for a term of one year which expired on the 31st March 1935.

The total consumption of country spirit both plain and spiced during the year 1912-13, 1933-34 and 1934-35 was as under:—

	1912-13. Gallons.	1933-34. Gallons.	1934-35. Gallons.
1. Plain country spirit . . .	28,821	10,160	14,251
2. Spiced country spirit . .	3,694	10,618	14,395
Total .	32,505	20,778	28,646

332. *Consumption and average taxation.*—The average consumption of country spirit per 100 of population during the year 1912-13, 1933-34 and 1934-35 was 7·82, 3·26 and 5·64 gallons respectively.

333. An increase in consumption of 7,868 L. P. gallons was due to the reduction in sale rates of country spirit owing to jealousy and rivalry between the licensees who reduced rates down to cost price. An increase of 3,777 gallons in spiced spirit was due to the efforts of the licensees to stimulate the sales of this variety at the expense of plain spirit, with the object of deriving higher profits. The incidence per proof gallon of duty and vend fee respectively during the year 1912-13, 1933-34 and 1934-35, was as follows:—

From duty.			From vend fee.			Total.		
1912-13.	1933-34.	1934-35	1912-13	1933-34	1934-35	1912-13	1933-34	1934-35
5	6·25	6·25	3·95	12·5	9·42	8·95	18·75	15·67

334. *Import of spirit from other provinces and duty realised thereon.*—During the year 27,441 L. P. gallons of country spirit with a duty of Rs. 1,71,506-4-0 and 3,008·1 gallons of Indian-made foreign spirit paying a duty of Rs. 52,641-12-0, and 61,790 gallons of beer with a duty of Rs. 41,763-1-0, were imported from the Punjab into the province. The imports from the United Provinces amounted to 819·4 L. P. gallons of Indian-made foreign spirit and 49·6 gallons of rectified spirit with a duty of Rs. 14,339-8-0 and Rs. 1,209, respectively. The figures of imports for the preceding year were as under:—

	(1933-34).			
	From Punjab (proof gallons.)	Duty. Rs. A.	From U. P. (proof gallons.)	Duty. Rs. A.
Country spirit	25,098·4	1,56,865 0	..	..
Indian made foreign spirit . .	3,128·3	54,746 2	368·9	6,455 12
Beer	40,140	28,203 0	56·4	1,264 15
Rectified spirit	..	..	..	..

During the year 1912-13 all imports of country spirit and Indian-made foreign spirit were made from the Punjab only. The total amount of beer imported in Delhi amounting to 61,790 gallons came from the Punjab. 487 gallons of beer were exported to United Provinces.

Native fermented liquor is not manufactured in the province.

335. *Foreign liquor.*—The excise revenue derived in the province from foreign liquor is license fee and still-head duty on Indian-made foreign liquor imported from the Punjab and United Provinces.

A license for the wholesale or retail vend of foreign liquor to the trade was granted on payment of Rs. 50 per annum. The licensee could sell beer, medicated wines and the spirits coloured and sophisticated, whether imported or made in the country. The number of such licenses issued during 1934-35 was five as in the year 1912-13.

336. *Retail vend.*—To bazar shops for the sale of foreign liquor were disposed of by auction along with country spirit shops during the year 1934-35. The following table shows the number of licenses of each kind issued during the year 1912-13, 1933-34 and 1934-35.

	1912-13.	1933-34.	1934-35.
First class L. 2	5	10	8
Shops in bazar L. 10	2	2	2
Hotels	7	11	12
Restaurant rooms	8	11	12
Railway Refreshment rooms	1	2	1
Theatre bars	9	92	84*
Dak bungalow	1	1	1
Military canteens	4	8	18
Dining cars	..	..	..

*Includes 4 permanent beer licenses in form L. 22-A.

The rates for assessment of fees to be calculated on the preceding year's sales were as under:—

For 1st class shops for "off" consumption Re. 1 a gallon for spirits and wines and 6 pies in the case of beer.

For hotels, restaurants, etc. (excluding military canteens which paid a fixed fee of Rs. 24 for a regiment and Rs. 12 for a unit) where "on" consumption was permitted Rs. 4-8-0 and Rs. 1-8-0 a gallon for spirits and wines respectively and 6 annas a gallon for beer.

The above rates were applicable to both imported and Indian-made foreign liquor.

337. *Sales and consumption of liquor.*—The quantities of foreign spirits, wines and beer sold wholesale and retail during the year 1912-13, 1933-34 and 1934-35 were as under:—

	Wholesale vend.			Retail vend.		
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.
Spirits . .	2,951	16,964	22,603	6,616	11,620	13,392
Wines . .	842	8,921	8,632	1,097	4,274	3,601
Beer. . .	31,463	1,03,602	1,48,229	6,760	81,013	74,443

The decrease in wine was counterbalanced by a considerable rise in spirits. The increase in spirits and beer was due to the growing demand for better classes of spirits by rich consumers. The local wholesale dealers supplied local and outside licensees at comparatively cheaper rates and on credit which raised the sales. Increase in beer was also due to the concentration of troops on account of manoeuvres which were on a very large scale.

The steady rise in consumption as compared with the year 1912-13 was due to a very large increase in the residents of the higher classes owing to the transfer of the seat of Government to Delhi.

338. *Receipts.*—License fees realised for licenses to sell foreign liquor both wholesale and retail in 1912-13, 1933-34 and 1934-35 amounted to Rs. 19,691, Rs. 46,652 and Rs. 55,376, respectively.

339. *Medicated wines.*—No license was required for the sale of medicated wines containing less than 20 per cent. of alcohol by weight. But medicated wines containing more than 20 per cent of alcohol by weight may only be sold under a license on payment of Rs. 50 as license fee. There were 4 such licenses in the year under report against one in the preceding year. The sales for the year under report were forty-five gallons against 31 gallons in the last year.

340. *Methylated spirits.*—These licenses were granted by the Collector on payment of Rs. 25 per annum for possession and sale upto 500 gallons and by the Chief Commissioner on payment of Rs. 100 for possession above 500 gallons. The number of licenses issued during the years 1912-13, 1933-34 and 1934-35 were 6, 47 and 43 respectively. Sales of this spirit amounted to 31,682 gallons.

341. *Rectified spirit.*—Licenses for sale of rectified spirit were granted by the Collector to persons of approved respectability on payment of Rs. 25 for possession upto 10 gallons while those for the possession of larger quantities were issued subject to the Chief Commissioner's sanction.

Licenses for the possession of rectified spirit for use in the manufacture of drugs, medicines and tinctures were also granted by the Collector to recognised medical practitioners free of charge. The number of such licenses was 2, 7 and 7 during the years 1912-13, 1933-34 and 1934-35, respectively.

342. *Offences.*—The number of persons arrested and convicted under the Dangerous Drugs, Opium and Excise Acts during the year 1934-35 was 94 and 83 against 103 and 94 during the last year. The number of persons arrested and convicted under these Acts during the year 1912-13 was 124 and 95 respectively.

343. *Administrative Agencies.*—The Chief Commissioner was the head of the Excise Administration in Delhi. The Executive Excise administration was usually in the special charge of an Extra Assistant Commissioner under the control of the Collector, and the preventive establishment consisting of an Excise Inspector and 4 Sub-Inspectors work under the supervision of the Superintendent of Police, C. I. D.

344. *Average total Excise revenue.*—Calculated on the census returns of 1911, 1921 and 1931 the average excise revenue per head (exclusive of still-head duty) of the Delhi Province for the year 1912-13, 1933-34 and 1934-35 works out at annas 12, Rs. 1-0-6 and Rs. 1-1-0, respectively.

345. *Excise Advisory Committee.*—One meeting was held during the year. The advice of the Excise Advisory Committee was followed so far as it did not interfere with excise policy.

CHAPTER XIII.

AJMER-MERWARA.

346. *Excise revenue.*—The Excise receipts for 1934-35 amounted to Rs. 6·97 lakhs made up as follows:—

Heads.	Receipts in lakhs of rupees.	Percentage of total excise revenue.
1. Country spirit	5·64	80·92
2. European liquors	0·05	0·72
3. Opium and its preparations	0·63	9·04
4. Hemp drugs	0·65	9·32
5. Miscellaneous (including fines and forfeitures)	..	..
6. Methylated spirits	..	..
Total	6·97	100·00

The total Excise Revenue in 1933-34 amounted to Rs. 6·65 lakhs against Rs. 3·52 lakhs in the year 1912-13.

In 1933-34 the revenue from country spirit was Rs. 5·41 lakhs and represented 81·35 per cent. of the total Excise receipts. In 1912-13 the country spirit receipts amounted to Rs. 3·03 lakhs and were 86·1 per cent. of the total Excise revenue during that year.

This memorandum is concerned only with the first two items.

347. *Law regulating liquor traffic.*—The Indian Excise Act (XII of 1896) was repealed by the Excise Regulation (I of 1915), which was brought into force on the 15th February 1915.

No separate Excise report was submitted. The annual Excise report formed part of the General Administration Report.

Country Spirit.

348. *Distillery system in force. Supply and wholesale vend arrangements.*—The district monopoly system formerly in force was superseded by the contract distillery system with effect from the 1st April 1908. Under the new system the privilege of manufacture and supply of country spirit throughout the district of Ajmer-Merwara was disposed of by tender, triennially subject to renewal at the option of the Collector for such further period, not exceeding two years, as he might determine. The successful tenderer, otherwise called the contract supplier, had the monopoly of supply of liquor to retail vendors within the area of his contract. Some of the essential features of the contract were.

(1) The *arrack* supplied was distilled from *mahua* and *gur* at the Ajmer distillery, and was issued at the strengths of 25° under proof and 50° under proof at the rates specified in paragraph 348 below. No *gur* liquor was manufactured during the year the requisite quantity being imported from Cawnpore. The distillery and its appurtenances were the property of the distiller and contract supplier. He was required to equip and maintain his distillery on a plan approved by the Collector

of Excise, and was bound to make any alterations and additions which that officer considered necessary in the interests of the revenue. The distillery was under the charge of a responsible officer, whose duty it was to check carefully every detail in the process of manufacture, and to pass the spirits for consumption on payment of duty.

(2) The distiller was bound to provide house accommodation, the rent of which must not exceed a fixed sum, for the distillery officer and his staff, if suitable quarters could not be rented in the neighbourhood at reasonable rates.

(3) The distiller was forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicants in his contract area.

(4) The distiller was also required to open wholesale shops (of which there were 5 in 1934-35) for the adequate supply of liquor within his contract area. Issues from wholesale shops were made only to other wholesale shops and independent shopkeepers in quantities of not less than 9 gallons and ½ a gallon, respectively. The wholesale shops were a necessary link between the distillery and the petty shopkeepers, who could not afford to purchase more than a few gallons at a time or go long distance to obtain liquor. The spirit in the wholesale shops was duty paid and no blending or reducing operations were permitted therein.

(5) On the termination of the contract at the end of three years it was open to the contract supplier to renew the contract for a further period of two years. Failing this, the incoming contract or was required to take over at his contract rate any spirit of good quality that the outgoing contractor might have left in the distillery or wholesale shops not exceeding two months supply of the contract area. The incoming contractor was also required to take over at a valuation made by the Collector, all such distillery buildings, plant, vessels, furniture, tools, instruments, etc., as the Collector considered expedient and necessary for the proper working of the distillery, and the outgoing contractor was bound to hand over to the Collector or to the incoming contractor as the Collector might direct, all the distillery buildings, plant, etc., at the valuation made at the termination of the Contract by the Collector, or by such other officer as the Collector deputed.

349. *Still-head duty and consumption.*—The still-head duty was raised, with effect from the 1st April 1923, to Rs. 8 and Rs. 5-10-0 per L. P. gallon in the urban and rural area, respectively. In 1912-13 the rates of still-head duty were Rs. 4-6-0 per proof gallon in urban and Rs. 3-12-0 per proof gallon in rural areas. The contract rates at which spirits were supplied by the contract supplier were as under:—

	Per gallon of—					
	25° U. P.			50° U. P.		
	Rs.	A.	P.	Rs.	A.	P.
Mahua imported	1	0	6	0	11	0
Mahua manufactured at Ajmer	1	2	0	0	12	0
Gur	1	2	9	..		
Aniseed	1	2	9	..		

In 1912-13, the contract supplier supplied spirits at the following rates:—

	25° U. P.			50° U. P.		
	Rs.	A.	P.	Rs.	A.	P.
Mahua liquor	0	13	6	0	8	0
Gur liquor	0	15	0	0	9	6

The total issues from the distillery in 1934-35 amounted to 65,994 proof gallons and the duty receipts therefrom were 5·64 lakhs including the receipts from vend fees amounting to Rs. 0·79 lakhs. The average taxation per proof gallon was Rs. 8-8-8 of which Rs. 7-5-7 were derived from duty.

In 1933-34, the total quantity of spirit issued from the distillery was 63,480 proof gallons against 51,780 proof gallons in 1912-13. The average consumption of spirit per 100 of population in 1912-13, 1933-34 and 1934-35 was 10·33, 11·32 and 11·77 proof gallons respectively. The total receipts from spirit in 1933-34 amounted to Rs. 5·41 lakhs (4·63 from duty) against 3·03 lakhs (2·13 lakhs from duty) in 1912-13. The average total taxation per proof gallon in 1933-34 was Rs. 8-8-4 against Rs. 5-13-8 in 1912-13.

350. *Retail vend arrangements.*—The right of retail vend of country spirit was sold by auction by separate shops. The independent shopkeepers were required to obtain all their liquor from the contract distiller, either direct or through the agency of the wholesale shops referred to in paragraph 347 above. In order to obviate the watering of liquor by shopkeeper and to facilitate the detection of smuggled liquor the independent shopkeepers were bound, as a condition of their licenses, to sell their liquor at the fixed issue strengths of 25° under proof and 50° under proof. The great bulk of the liquor sold was of the strength of 25° under proof.

The distiller could also prepare and sell in sealed bottles sweetened *masala* liquor at strengths of 25° under proof and 50° under proof. This consisted of the raw *mahua* liquor to which sugar and other ingredients such as aniseed and cardamom were added. The demand for such liquor was small.

The total number of country spirit shops in 1912-13, 1933-34 and 1934-35 was 128, 112 and 112, respectively.

351. *Privileged private distillation.*—Certain *Tazimi Istimrardars* of Ajmer were allowed the privilege of distilling liquor from *mahua* or molasses, on their own premises and for their own consumption, under special licenses issued by the Collector. The liquor was required to be manufactured in a place open to inspection by the superior officers of the preventive establishment, and the total amount distilled was subject to a maximum limit fixed by the Collector. No charge was made for the privilege.

352. *Toddy.*—Drawing and selling of toddy has been stopped.

Foreign Liquors.

353. These include not only spirits and liquors imported from Europe but also sophisticated and flavoured spirits made from special bases which are taxed at the tariff rate of duty. No such liquors were manufactured

in Ajmer-Merwara. The Excise revenue therefrom was derived from vend fees. The scale of fees for the various licenses was as follows:—

	Per annum. Rs.
1. Wholesale vend	100
2. Retail vend	250
3. Canteen licenses	24 and 12
4. Refreshment room and hotel	100
5. Beawar retail vend	50
6. Deoli retail vend	50

Foreign liquors (except gin for which a strength of 35° under proof was prescribed) and denatured spirits kept for sale could not be weaker than 25° under proof. Liquors, whiskies and brandies selling at not less than Rs. 24 per gallon were, however, sold at strengths lower than 25° under proof.

When liquor was bottled in India the labels on the bottles had to show the fact of such bottling and the name of the bottler. Retail vendors of foreign liquors were not allowed to alter either the nature of their liquor or the labels under which they had purchased it on pain of forfeiture of their licenses.

The duty on Shahjahanpur rum consumed in Ajmer-Merwara was credited to the Central Government.

354. *Consumption and licenses.*—The statement below shows the consumption of imported foreign liquors and the total number of retail licenses, (including refreshment room and hotel, dak bungalow and dining car licenses, etc.) for the years 1916-17, 1933-34 and 1934-35.

CONSUMPTION IN IMPERIAL GALLONS.

Year.	No. of licenses	Spirits.	Wines.	Malt liquors.
1916-17	13	3,944	800	32,610
1933-34	13	1,713	1,480	14,720
1934-35	13	1,756	1,256	13,445

LOCATION OF SHOPS.

355. The sites of liquor shops were approved by the Collector, and shops were closed or their sites altered with reference to considerations of police administration and the public good generally. In municipal towns public opinion was also consulted before deciding upon the number and localities of shops. Shops were at all times open to inspection by the superior officer down to the rank of Sub-Inspectors.

EXCISE OFFENCES AND CONVICTIONS.

356. In 1912-13 the number of persons convicted for drunkenness in the Municipal areas was 152 against 65 in 1933-34 and 38 in 1934-35. In 1933-34 the total number of cases under the Excise Regulation, the Dangerous Drugs Act and the Opium Act was 40. In these cases 49 persons were implicated, of whom 29 were convicted, 14 acquitted or discharged and 6 were under trial at the close of the year. In 1934-35 the

total number of cases under the Excise Regulation, the Dangerous Drugs Act and the Opium Act was 37. In these cases 48 persons were implicated of whom 43 persons were convicted and 5 acquitted or discharged.

Administrative Agency.

357. The Excise administration was conducted under the control of the Commissioner, by the Assistant Commissioner, who was Excise Collector for the entire district of Ajmer-Merwara. A small special preventive establishment was employed, the duties of which in respect to liquors were to repress illicit distillation or smuggling, and to see that sales at shops were in accordance with the conditions of the license. A Superintendent of Excise was appointed for controlling the distillery and preventive establishments.

Incidence of Excise Revenue per head.

358. Calculated on the census figures of 1931, the average total Excise Revenue per head of population in 1934-35 was Rs. 1-3-10, of which about 4/5th was debitable to liquors.

In 1933-34, the average Excise revenue per head was Rs. 1-2-11 (5/6th from liquors) against Re. 0-11-3 (7/10th from liquors) in 1912-13.

CHAPTER XIV.

COORG.

Excise Revenue.

359. The Excise receipts for 1934-35 amounted to Rs. 2·34 lakhs as shown below and bore a percentage of 20·31 to the total gross revenue of the Province.

Heads.	Receipts in lakhs of rupees.	Percentage of total excise revenue.
Country spirit	1·33	56·83
Toddy	0·82	35·05
Imported liquors	0·02	0·86
Beer	0·03	1·28
Opium	0·02	0·85
Hemp drugs	0·09	3·85
Miscellaneous	0·03	1·28
Total	2·34	100·00

360. The total excise receipts amounted to Rs. 2·48 lakhs in 1933-34 as against Rs. 2·47 lakhs in 1912-13 (Statement XI). The revenue from country spirit in 1933-34 was Rs. 1·54 lakhs and formed 62·10 per cent. of the total Excise revenue. The corresponding figures for 1912-13 were Rs. 1·91 lakhs and 77·3 per cent. respectively (Statements VII and VIII). The net revenue from excise during the year showed a decrease of 6·3 per cent. and 5·9 per cent. on the corresponding figures for 1912-13 and 1933-34.

The memorandum is concerned only with the first four heads shown in paragraph 1.

Law regulating liquor traffic.

361. In 1912-13, the Excise Act, XII of 1896 applied to Coorg. In 1933-34 and 1934-35, the Excise Regulation I of 1915 was in force.

Country spirit.

362. Coorg has no separate distillery. Country spirit is supplied under the contract distillery system. Spirit distilled from sugarcane jaggery was imported under bond from Nellikuppam in the South Arcot district of the Madras Presidency. The contract for the supply and wholesale vend of spirit was disposed of by tender annually. The successful tenderer was given the monopoly of supply to the retail vendors within the Province. The still head duty to be paid to the Government was fixed, and tenderers were required to state at what rate they were prepared to supply spirit of certain fixed strength at fixed local stations in the Province.

363. The contract for the import and wholesale vend of country spirit during 1934-35 was granted to Messrs. Parry & Co., Ltd., Madras, the contractor of the Nellikuppam Distillery, who agreed to supply spirit of 30° underproof at Rs. 1-14-0 per gallon over and above the duty of Rs. 6-6-6.

Duty and strength at issue.

364. The rate of duty in 1934-35 Rs. 9-2-5 per proof gallon continued the same as in the previous year. The duty per proof gallon in 1912-13 was Rs. 5-10-0. The strength at which the spirit was sold to the public during 1912-13, 1933-34 and 1934-35 was 30° under proof. The duty payable on issues amounted to Rs. 0·94 in 1934-35 as against 1·49 lakhs in 1912-13 and 1·10 lakhs in 1933-34.

365. A Bonded Warehouse has been established at Mercara in a Government building and a rental of Rs. 1,320 was charged during the year under report for its use by the firm. The overproof spirit imported was reduced here to the required strength under Government supervision before issue for sale.

Wholesale depots.

366. Wholesale depots were run by the contractor and their number was fixed by the Commissioner. There were four such depots in each of the years 1934-35, 1933-34 and 1912-13. The issue price at depots was Rs. 8-4-6 during the years 1934-35 and 1933-34 per gallon of 30° underproof as against Rs. 4-14-6 per gallon of the same strength in 1912-13. The spirit kept in the wholesale depots was all duty paid.

Retail Vend.

367. The right of retail vend of country spirit was sold annually by public auction by separate shops throughout the Province. The wholesale contractor was forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicating liquors in the contract area. The retail shopkeepers were required to obtain their liquor from the nearest wholesale depots referred to above. The price of arrack at the retail shops was fixed at a flat rate of Rs. 10-10-0 per bulk gallon during 1933-34 and 1934-35. In 1912-13, the minimum retail price in towns where there were more than one shop was fixed at Rs. 5-8-0 per bulk gallon and at a maximum rate of Rs. 6-4-0 per gallon elsewhere.

368. *Number of shops.*—The number of shops for the retail sale of country spirit during the years 1934-35 and 1933-34 was 28 and 27 respectively against 33 in 1912-13.

369. *Consumption.*—The consumption of country spirit in 1934-35 was 10,107·16 proof gallons compared with 12,108 and 26,493 proof gallons in 1912-13. The average consumption of country spirit per hundred of population during the year 1934-35 was 6·19 proof gallons compared with 7·41 in 1933-34 and 15·14 gallons in 1912-13. The average consumption in 1934-35 fell by 1·22 and 8·95 proof gallons compared with that of 1933-34 and 1912-13, respectively.

370. *Average Taxation.*—The receipts under vend fees amounted to Rs. 0·39 lakhs in 1934-35 as against Rs. 0·45 lakhs in the previous year and Rs. 0·42 lakhs in 1912-13. Including the sum of Rs. 0·94 lakhs realised from duty, the receipts from Country Spirit for 1934-35 amounted to Rs. 1·33 lakhs as against Rs. 1·54 lakhs in 1933-34 and Rs. 1·91 lakhs in 1912-13. The total average taxation in 1934-35 amounted to Rs. 13 per proof gallon of which Rs. 9-2-5 was derived from duty. The average taxation per proof gallon in 1912-13 was Rs. 7-3-4 (Rs. 5-10-0 from duty), and Rs. 12-13-7 (Rs. 9-2-5 from duty) in 1933-34.

371. *Toddy.*—Toddy (known in Northern India as *tari*) is the sap of the palm tree.

372. *Unfermented or Sweet Toddy.*—Unfermented toddy was not subject to any taxation; but it was required to be drawn in pots freshly coated internally with lime to prevent fermentation. Licenses were obtained for the tapping of trees for sweet toddy and they were issued free.

373. *Fermented Toddy.*—There is no tree tax system as in Madras.

374. *Supply and Vend.*—The right of obtaining and selling toddy in each of a number of sanctioned shops is leased by auction yearly. The contractor could tap mature trees on Government lands free of charge, but had to make his own arrangements with private tree owners. The latter could draw toddy from their trees for their own consumption, but should not dispose of it otherwise or grant the right of tapping their trees to anyone but the vend renter and for cash payment only. The limit of private possession without a license was fixed at four seers. The number of licenses for the retail sale of toddy in 1934-35 was 44 as against 43 in the previous year and 88 in 1912-13. Passes were granted to bakers on payment of one rupee per annum to obtain stale toddy from the retail shops for the manufacture of bred.

375. *Taxation.*—Rental realised at the auction sales of retail shops was the only source of revenue under this head. The revenue realised in 1934-35 was 0·82 lakhs as against 0·76 lakhs in 1933-34 and 0·46 lakhs in 1912-13.

376. *Imported Liquors.*—Excise revenue on imported liquors was derived only from licenses for the privilege of vend. Licenses for the wholesale and retail sale of imported liquors are granted on payment of a fixed fee of Rs. 240 and Rs. 120 per annum, respectively. The number of wholesale shops in 1934-35 was three against the same number in the preceding year and one in 1912-13. The number of retail shops in each of the years 1934-35, 1933-34 and 1912-13 was 5, 4 and 7 respectively.

377. *Consumption.*—The statement below shows the consumption of imported liquors in each of the years 1916-17, 1933-34 and 1934-35.

Year.	Spirits in Imperial gallons.	Wines in Imperial gallons.	Malt liquors in Imperial gallons.
1916-17	1,503	360	1,022
1933-34	1,276·6	143	2,175
1934-35	1,360·66	139·5	2,156·16

Country Beer, etc.

378. There were no breweries in Coorg. Beer required for consumption in Coorg was imported from the Bangalore Brewery. Four shops were licensed for the sale of beer during the years 1934-35, 1933-34 and 1912-13. The licenses for these shops were disposed of by auction. The rental realised in 1934-35 was Rs. 1,335 against Rs. 1,332 in 1933-34 and Rs. 100 in 1912-13.

379. *Duty on Beer.*—The duty on beer imported into Coorg was recovered at Bangalore and credited to Coorg revenues once in a quarter. The amount of duty realised in 1934-35 was Rs. 1,226-10-0 against Rs. 1,132-8-0 in 1933-34 and nil in 1912-13 as the arrangements referred to above were made only in 1925-26. [Statement II (*a*).]

380. *Indian made Foreign Liquor.*—Rules for the regulation of traffic in Indian made Foreign liquor came into force on 1st January 1932. The Foreign liquor licensees were granted licenses for the privilege of vend in Coorg. No separate fee was charged for this privilege. The duty on Indian made Foreign liquor imported into Coorg was recovered at Madras and credited to Coorg revenues by book adjustment once in a quarter. The amount of duty realised in 1934-35 was Rs. 975-10-0 against Rs. 986-9-0 in the previous year, and Rs. 1,019-6-0 in 1932-33.

381. *Consumption.*—84·08 gallons of Indian made Foreign Liquor were consumed during the year under report against 52 gallons in 1933-34 and 59·83 in 1932-33.

General.

382. An Advisory Committee consisting of four official and five non-official members has been functioning since its inception in 1927. Its duties are to advise the Government regarding the number and location of shops and generally on matters connected with Excise. Prior to 1927, the location of shops was discussed with Municipal Committees in case of shops within the Municipalities and with the residents of the locality in case of shops in rural areas.

383. *Offences and Convictions.*—The number of prosecutions instituted was 78 against 43 in the previous year. Convictions were awarded in 71 cases compared with 34 in the previous year. The following table shows the details of offences committed:—

Year.	Smuggling of ganja.	Illicit possession distillation of country spirit.	Possession and sale of toddy without license.	Breaches of condition of license.
1912-13 . . .	3	26	31	1
1933-34 . . .	1*	40	2	122
1934-35 . . .	2†	59	17	144

* Possession and sale of ganja.

†Cultivation and sale of ganja.

144 cases of breaches of conditions of license were reported against 122 in the previous year. All these were compounded.

384. *Administrative Agency.*—The Excise Administration in Coorg is under the Commissioner. A wholetime officer at the Warehouse being found unnecessary, the Jailor of the Mercara Sub-Jail looks after the Warehouse. He draws a special pay of Rs. 30 per mensem for the additional work.

385. In 1934-35, there were four Sub-Inspectors with one peon each and one Inspector with two peons for preventive purposes. Upto February 1932, all the Sub-Inspectors had two peons each. The reduction was owing to retrenchment. The Police Sub-Inspectors are empowered under section 54 of the Excise Regulation to search without warrant, and the Parpattigars (Local Revenue Subordinates) under section 51 to enter and inspect places of manufacture and sale of excisable articles. In 1912-13 one Excise Inspector with five Sub-Inspectors and twelve peons under him, formed the preventive staff.

386. *Any important new legislation or resolution or bill in the Legislative Council.*—There was no new legislation or resolution.

387. *Average total Excise Revenue.*—Calculated on the census figures of 1931, the total Excise revenue in 1934-35 formed an average of Rs. 1-6-11 per head of population, the bulk of which was derived by taxation on liquors. In 1933-34, the incidence of Excise receipts per head amounted to Rs. 1-8-4 against Rs. 1-6-7 in 1912-13.

CHAPTER XV.

BALUCHISTAN.

388. *Excise Revenue.*—The total excise revenue for 1934-35 amounted to Rs. 5·21 lakhs including revenue derived from opium exported to the Kalat State and was made up as follows:—

	Receipts in lakhs of rupees.	Percentage of total excise revenue.
1. Country spirit	3·04	58·4
2. Duty on Indian-made beer	·48	9·2
3. Duty on Indian made foreign spirits	·46	8·8
4. Vend fees on foreign liquors	·10	1·9
5. Opium and its preparation	·51*	9·8
6. Hemp drugs	·62	11·9
7. Miscellaneous	Nominal.	..
Total	5·21	100·0

*Includes Rs. 3,480 on account of sale proceeds of excise opium issued to the Kalat State.

The total excise revenue and the revenue from country spirits during the year 1933-34 amounted to Rs. 5·49 lakhs and Rs. 3·05 lakhs respectively against Rs. 2·79 lakhs and Rs. 1·65 lakhs in 1912-13. In 1933-34 the revenue from country spirit bore a percentage of 55·5 to the total excise revenue for that year against 59·1 in 1912-13.

This Memorandum is concerned only with the first four items.

389. *Law regulating liquor traffic.*—The liquor traffic was regulated by the Excise Regulation (I of 1915) which was brought into force on the 1st April 1915.

Country spirit.

390. *Contract distillery system. Its introduction and gradual extension.*—Up to the year 1909 the manufacture and vend of country spirit throughout Baluchistan were combined under a monopoly system. The monopoly rights were sold each year by auction, each district usually forming a separate farm, and manufacture was carried on under the outstill system. On the 1st October 1909, however, a contract distillery system was introduced in the Quetta-Pishin, Sibi (with the exception of tribal areas), Loralai, Bolan and Chagai districts. It has since been extended to the Zhob district and is in force throughout Baluchistan. The contract distillery system thus covered an area of 46,960 square miles and a population of 4,08,284 according to the census figures of 1931. For the figures relating to the outstill area for the year 1912-13, see Statement V.

391. *Description of the contract distillery system.*—There was only one distillery in Baluchistan, *viz.*, the Government distillery at Quetta. All the country spirit required for consumption in Baluchistan was issued from this distillery. Under the contract distillery system the exclusive privilege of manufacture of country spirit at this distillery and its supply to licensed vendors and others in Baluchistan was disposed of by tender and the successful tenderer had to supply country spirit to licensed vendors and others at the price accepted by Government.

The three years' contract regarding the manufacture of country spirit at the Government distillery at Quetta was given with effect from the 1st April 1933 to the firm of Messrs. Sewa Singh Khiasing and Company. The distillers paid a monthly rent of Rs. 250 for the use of the building and plant.

The supply rate per London Proof gallon of plain country spirit was Rs. 1-13-9. This rate was decreased in proportion as the strength of spirit issued was less than London Proof.

392. *Bonded Warehouses.*—The only Bonded Warehouse, which was established at Jhatpat for the storage of country spirit to be supplied to licensed vendors in the Nasirabad Sub-Division and the Kachhi Railway Tahsil, was discontinued with effect from the 1st April 1933.

393. *Management of the distillery.*—There was an Inspector in charge of the distillery whose duty it was to control the manufacture and supply of the liquor. Issues for consumption were made direct from the distillery on payment of duty before the liquor was taken out. The minimum quantity allowed to be issued from the distillery at a time was 5 gallons.

394. *Issue strength and duty.*—Country spirit was issued from the distillery at fixed strengths of 10° and 20° under London Proof and was sold at those strengths; liquor issued at the strength of 20° under proof was required to be coloured red; that issued at the higher strength of 10° under proof was un-coloured. On issues for consumption by the general public, still-head duty at the rates specified below was charged:—

When issued for consumption in the Quetta Town:—

1912-13.	1933-34.	1934-35.	
Rs. A.	Rs. A.	Rs. A.	
5 0	6 12	6 12	per gallon of 10° under proof.
4 7	6 0	6 0	per gallon of 20° under proof.

When issued for consumption in the Nasirabad and Kachhi Railway Sub-Division:—

1912-13.	1933-34.	1934-35.	
Rs. A.	Rs. A.	Rs. A.	
3 8	4 5	4 5	per gallon of 10° under proof.
3 2	3 14	3 14	per gallon of 20° under proof.

When issued for consumption in other areas:—

1912-13.	1933-34.	1934-35.	
Rs. A.	Rs. A.	Rs. A.	
4 0	6 12	6 12	per gallon of 10° under proof.
3 8	6 0	6 0	per gallon of 20° under proof.

394-A. *Vend arrangements.*—There were two kinds of vend licenses, wholesale and retail. Wholesale Vendors may sell liquor to retail vendors only. The license fee was Rs. 15 to Rs. 25 per annum as fixed by the Collector. The right to sell liquor by retail was sold annually by public auction, for each shop separately the number of shops being determined before hand. Maximum rates at which retail vendors could sell liquor were fixed by the Revenue Commissioner.

Three wholesale and 44 retail licenses in the distillery areas were issued during the year 1934-35 against two and 42 issued during the year 1933-34. There were one wholesale and 47 retail licenses in 1912-13.

395. *Special permits for private consumption.*—Special permits could also be granted by Political Agents or Officers specially authorised by them, not being below the rank of Extra Assistant Commissioner, to persons of known respectability, under which they could obtain either direct from the distillery or through a retail (but not wholesale) vendor specially manufactured country spirit in quantities not exceeding 9 gallons at a time, for their private consumption. If such spirit was obtained direct from the distillery, still-head duty was levied upon it at the enhanced rates of Rs. 11-2 and Rs. 10 per gallon of spirits of the strength of 10° and 20° under proof respectively. In 1934-35 still-head duty was recovered at the rates of Rs. 13-6 and Rs. 12-1 respectively. In 1912-13 still-head duty was charged at the rate of Rs. 5-8 and Rs. 4-15 per gallon of spirit of the strength of 10° and 20° under proof respectively.

396. *Issues and average taxation.*—The issues from the distillery during 1934-35 amounted to 34·823 and 1,500 gallons of the strength of 10° and 20° under proof respectively, equivalent to 32,540·7 gallons London Proof. The revenue realised from duty amounted to Rs. 2·42 lakhs and that from vend fees to Rs. 0·59 lakhs. The average taxation was Rs. 9·26 per proof gallon of which Rs. 7·45 were derived from duty.

In 1933-34, the total quantity of spirit issued from the distillery was 34,608 gallons London Proof compared with 23,599 gallons London Proof in 1912-13. The total receipts from spirit amounted to Rs. 3·05 lakhs in 1933-34 and Rs. 1·57 lakhs in 1912-13. The average taxation per proof gallon in 1933-34 was Rs. 9·35 (Rs. 7·42 from duty), compared with Rs. 6·65 (Rs. 5·01 from duty) in 1912-13.

The total consumption of country spirit in the Agency was 32,540·7 proof gallons in 1934-35 against 32,247·2 in the preceding year and 25,072 proof gallons in 1912-13. The average consumption of country spirit per 100 of the total population in the years 1912-13, 1933-34 and 1934-35 was 6·05, 7·90 and 7·97 gallons respectively. Thus there was an increase of ·88 per cent in the consumption as compared with that of 1933-34 and an increase of 24·09 per cent. in that of 1912-13.

Indian-made Foreign Spirit.

397. *Manufacture and duty.*—Country spirit made in the Quetta distillery and coloured brown with caramel so as to resemble rum, was issued to Indian regiments in Baluchistan at a concession rate of duty of Rs. 7 per gallon of 20° Under Proof. From the 1st November 1930, however, this concession was withdrawn and the rum so manufactured was treated as Indian-made foreign liquor and a duty of Rs. 17-8 per London Proof gallon was charged on it. From the 20th March 1931, this duty was enhanced to Rs. 24 per London Proof gallon and again from 1st November 1931 to Rs. 24-6 which remained in force during 1932-33. From the 1st April 1933 it was reduced to Rs. 17-8 per London Proof gallon. 663·3 proof gallons of rum were issued from the Quetta distillery during 1934-35 against 719·0 gallons London Proof in the previous year. The duty realised thereon was Rs. 11,608 in 1934-35 against Rs. 12,582 in 1933-34.

Indian-made foreign liquor was allowed to be imported from United Provinces and Punjab on prepayment of duty in those provinces for subsequent transfer to Baluchistan by book adjustment. The quantity imported in 1934-35 was 1,938·7 gallons of spirit and 518·4 of beer. The duty recovered for 1934-35 amounted to Rs. 34,317 against Rs. 24,428 for 1933-34.

Foreign liquors.

398. *Vend arrangements.*—Foreign spirits and fermented liquor (including rum and beer whether imported from Europe or made in India after European methods) were sold under wholesale and retail licenses, granted by the collectors. Wholesale licenses were granted on payment of fixed fees varying from Rs. 50 to Rs. 300 per annum according to local circumstances. The following retail licenses were granted by the Collectors on the fixed fees stated against each:—

Class of license.	Scale of fixed fees.
1. Retail vend of foreign liquor in a hotel, restaurant or billiard room	Rs. 100 to Rs. 700 per annum.
2. Retail vend of foreign liquor in a railway refreshment room	Rs. 25 to Rs. 250 per annum.
3. Retail vend of foreign liquor in military canteen	For regiments Rs. 24 per annum For small units Rs. 12 per annum.
4. Retail vend of foreign liquor in a bazar for consumption off the premises	Rs. 50 to Rs. 500 per annum.
5. Retail vend of foreign liquor at staging bungalows	Rs. 12 to Rs. 25 per annum.
6. Retail vend of foreign liquor at a bar in a theatre or cinema or in any other temporary place of recreation	Rs. 4 per day.
7. Retail vend of foreign liquor at a bar attached permanently to a theatre or cinema or other such place of entertainment	Rs. 100 to Rs. 700 per annum.
8. Vend of medicated wine	Rs. 25 per annum.

A license for the retail vend of foreign liquor in a railway dining car could be granted and renewed by the Excise Commissioner at a fee ranging from Rs. 25 to Rs. 250 per annum.

A license for the retail vend of foreign liquor in a bazar for consumption on the premises could be granted by the Collector on fee fixed by auction.

Seventeen wholesale and 28 retail licenses (including one for consumption on the premises) for the vend of foreign liquors, were issued during the year 1934-35 compared with 16 wholesale and 26 retail licenses in the preceding year and 5 wholesale and 16 retail licenses in 1912-13. In 1934-35 there were also 12 hotel and 11 refreshment room and dak bungalows and 28 military canteen and 23 temporary stall licenses. Fifty two licenses were issued for the sale of denatured spirits in 1934-35 against 47 in the preceding year, compared with 12 licenses in 1912-13.

399. *Consumption.*—The consumption of foreign liquor (imported) in 1933-34 and 1934-35 is compared in the following table:—

Description.	1933-34.	1934-35.
(*a*) Wine	1,690	1,497
(*b*) Spirits	6,044	5,173
(*c*) Beer	74,925	78,891

Malt liquor.

400. *Breweries and beer, etc.*—During the year under report there was only one brewery, namely that owned by the Murree Brewery Company, Limited and situated at Kirani near Quetta. Under the new Brewery Rules which came into force with effect from the 1st July 1933, the Distillery Inspector, Quetta, was appointed to be in charge of the brewery at Kirani and perform the duties of a Brewery Inspector in addition to his own as Distillery Inspector. No fee was charged for license to work the brewery and bottle beer made therein. The duty at the rate of twelve annas per Imperial gallon was levied once a quarter on the total quantity brewed during the quarter less 10 per cent. allowed for wastage. The receipts from brewery duty in 1934-35 amounted to Rs. 0·47 lakhs as against Rs. 0·65 lakhs in the previous year. The consumption of Indian-made beer in 1934-35 was 59,925 Imperial gallons against 85,754 in 1933-34. As regards the quantity of beer manufactured in Baluchistan please see Statement II-A.

401. The brewer was granted a separate license for the wholesale vend of fermented liquors manufactured at this brewery only on payment of a fee ranging from Rs. 50 to Rs. 300 per annum as fixed by the Collector. One such license was taken out during the year 1934-35. Retail licenses for the sale of fermented liquor for consumption on the premises only, were sold by auction. Two such licenses, issued in the Quetta Town during 1924-25 remained in force during 1934-35.

Location of Shops.

402. Except at Quetta there was no town or bazar in the Province in which there was an Advisory Committee. The Advisory Committee at Quetta consisted of 4 non-official and 3 official members, but its functions were merely advisory, and no powers had been delegated to it. All questions connected with the reduction and location of shops and the hours of sale and other kindred matters were referred to it. Elsewhere the number and location of excise shops were carefully supervised by the local authorities, and the local Panchayats were consulted when any change was thought necessary.

403. *Offences and convictions.*—The number of persons convicted for drunkenness in Baluchistan during 1912-13, 1933-34 and 1934-35 was 65, 22 and 21 respectively. Country spirit in small quantities was illicitly imported from the Kalat State. Two cases of smuggling of country spirit were detected during the year.

Administrative Agency.

404. Excise arrangements were worked by the District Officers under the supervision of the Revenue Commissioner. Besides the Distillery Inspector referred to in paragraph 393 above, three Excise Inspectors had been appointed, one Excise Inspector for the Quetta-Pishin and Chagai Districts, one for Sibi and Bolan District and the third for the Loralai and Zhob Districts. A Superintendent of Excise was appointed for controlling the distillery and preventive establishments.

Average total Excise Revenue.

405. Calculated on the Census figures of 1931, the total average excise revenue (excluding Rs. 3,480 on account of sale proceeds of opium issued to the Kalat State) per head of population in 1934-35 works out to Rs. 1·27 of which about 4/5th was contributed by liquors. In 1933-34, the average excise revenue was Rs. 1·34 per head, compared with Rs. ·67 in 1912-13.

CHAPTER XVI.

Statements.

STATEMENT I.

Statement showing consumption (issues) of country spirit during 1912-13, 1933-34, and 1934-35 and the percentage of increase or decrease over the figures of 1912-13 and 1933-34.

[In L. P. Gallons.]

Province.	Absolute consumption of country spirit during			Average consumption of country spirit per 100 of the population calculated on the census figures of 1911 and 1931.			Percentage of increase (+) or decrease (—) of consumption during 1934-35 over the figures of	
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.
Madras Presidency	1 773,673	8?7,706	8,11,456	4·28	1·77	1·73	—59·58	—2·26
Bombay Presidency Proper	2,630,869	10,64,026	10,61,545	16·30	5·9	5·9	—63·8	*Nil*
Sind	228,204	1,00,817	1,08,140	6·49	2·60	2·78	—57·16	+6·92
Bengal Presidency	851,534	2,46,246	2,94,665	1·87	·49	0·59	—68·44	+20·40
Burma	57,391	46,818	67,901	0·47	0·35†	0·51	+8·51	+45·71
Bihar and Orissa	1,157,636	504,2?3	6,13,342	3·36	1·66	2·19	—47·02	+21·63
United Provinces	1,689.932	470,120	4,77,893	3·61	0·97	0·99	—71·72	+1·65
Punjab	419,932*	313.1 6	3,76,045	2·14	1·33	1·51	—25·4	+11·2
Central Provinces and Berar	1,201,346	305,570	3,17,820	8·63	1·99	2·07	—173·5	+4·0
Assam	247,363	135,501	1,34,471	3·68	1·68	1·66	—45·6	—0·7
N.-W. F. Province	24,296	23,876	28,717	1·11	·99	1·17	+15·39	+16·85
Delhi	32,505	20,778	28,646	7·82	3·26	5·64	—11·8	+37·7
Ajmer-Merwara	51,780	63,480	65,994	10·33	11·32	11·77	+13·9	+3·97
Coorg	26,493	12,107	10,107	15·14	7·41	6·19	—51·06	—16·46
Baluchistan	25,072	32,247	32,540	6·05	7·90	7·97	+24·09	+0·88
TOTAL	10,418,026	4,124,441	4,429,282	4·27	1·52	1·63	—57·5	+7·3

* There figures represent sales, not issues.
† Revised figure.

STATEMENT II.

Classified statement showing consumption of potable foreign liquors during the years 1916-17, 1933-34 and 1934-35 and the total number of licenses (bazars, hotels, restaurants, dining cars, etc., including temporary, special and canteen licenses) for the retail sale of these liquors.

Province.	1916-17.					1933-34.					1934-35.				
	Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.		Total number of licenses (including temporary licenses).	Spirits (in proof gallons).	Wines (bulk gallons).	Beer.	
				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).				Imported (Imperial gallons).	Manufactured in India (Imperial gallons).
Madras Presidency	503	145,087	28,340	792,413		665	90,514 (a)	16,837	416,061	231,878	669	94,976 (a)	19,242	487,473	218,611
Bombay Presidency Proper.	369	342,103	86,232	515,711	287,998	1,454	118,899	9,046	948,579	10,171	1,400	113,560	29,324	875,020	6,710
Sind	205	58,831	13,032	158,142	...	†444	19,540	4,008	222,047	3,327	353	19,965	4,123	207,972	1,880
Bengal Presidency	544	213,444	39,056	247,478	48,030	596	142,436	23,087	462,893	...	555	140,373	23,208	491,944	...
Burma	324	67,200	280	3,120	(d)191,868	733	(b)	(b)	(b)	(d)184,873	600	(b)	(b)	(b)	(d)186,848
Bihar and Orissa	140	14,352	3,912	22,763	...	336	14,515	3,911	64,844	1,039	352	16,685	5,829	76,102	5,676
United Provinces	540	65,388	27,338	118,781	125,261	1,457	48,546	23,165	152,365	253,192	1,299	31,718	6,502	127,117	263,371
Punjab	395	35,023	10,871	68,276	1,191,515*	680	34,255	11,966	139,611	736,398*	699	34,157	14,667	184,355	778,949*
Central Provinces and Berar (c).	85	27,643	4,707	169,870	138,844	103	3,771	634	40,868	20,141	176	3,784	714	40,223	20,487
Assam	104	...	3,228	20,239	...	135	13,044	2,643	26,597	...	121	11,743	2,341	27,018	...
North-West Frontier Province.	69	10,219	2,351	4,841	386,136	79	12,654	3,623	72,615	164,202	75	11,227	3 591	73,611	170,019
Delhi	28	7,819	1,556	7,489	1,844	136	11,920	4,276	61,362	19,651	142	13,392	3,601	33,704	40,739
Ajmer-Merwara	13	3,944	800	32,610	20	13	1,579	1,480	14,720	...	13	1,518	1,256	12,570	875
Coorg	8	1,503	360	1,022	2,499	9	1,277	143	2,175	1,510	10	1,361	139	2,156	1,635
Baluchistan	41	(b)	(b)	(b)	(b)	94	8,810	1,690	74,925	85,754	103	8,336	1,497	78,891	59,925
TOTAL	3,368	9,92,6 12	222,063	1,270,342	2,374,005	6,934	512,399	135,540	2,698,662	1,712,136	6,567	502,775	116,034	2,518,156	1,755,725
				792,413											

* Includes exports to other provinces.
(a) Figures given in imperial gallons. (b) Information not available. (c) Figures relate to calendar years except in the case of 1916-17. †Revised figure.
(d) Represents quantity issued for consumption within the Province.
NOTE.—Figure for the year 1916-17 have been substituted for those relating to 1912-13 (which has been adopted as the basic year in other statements) as the figures for the latter year are not reliable.

STATEMENT II (*a*)

Statement showing number and name of breweries, quantity of beer manufactured, rate of duty on beer, revenue accruing therefrom and quantity of beer issue from breweries during 1934-35.

Province.	Number and name of Breweries.	Quantity of Beer manufactured (Gallons).	Rate of Duty per gallon. Rs.	Revenue realised from duty. Rs. (In thousands).	Quantity of Beer issued from Breweries (Gallons):— For consumption within the Province itself.	For export to other provinces in Br. India.	For export to Indian States.	Quantity of beer (of Indian manufacture) imported from other provinces (Gallons)
1	2	3	4	5	6	7	8	9
Madras	2. The United Breweries Ltd., Kethi. The United Breweries Ltd., Nadu Vakkarai	221,786	0 12 0	166·34	213,408	9†	4,442	15,811
Bombay (including Sind).	*Nil.*	*Nil.*	0 10 0	7·77	..	No Brewery.		9,593
Bengal	*Nil.*	*Nil.*	0 12 0	13·46	..	Do.		19,947
Burma	1. Mandalay Brewery	*221,015	0 8 0	(*a*)93·96	186,848	*Nil.*	*Nil.*	*Nil*
Bihar and Orissa	*Nil.*	*Nil.*	(*b*)	(*b*)	..	No Brewery.		6,121
United Provinces	1. Ranikhet Brewery	30,312	0 12 0	20·51	28,337	*Nil.*	*Nil.*	119,121
Punjab	2. Murree Brewery Co., Rawalpindi. Dyer Meakin & Co., Solan.	908,213	0 12 0	605·68	396,346	455,397	6,649	272
Central Provinces and Berar.	*Nil.*	*Nil.*	(*b*)	(*b*)	*Nil.*	No Brewery.		28,837
Assam	*Nil.*	*Nil.*	Tariff rate	..	*Nil.*	Do.		*Nil*
N.-W. Frontier Province.	*Nil.*	*Nil.*	0 12 0	..	*Nil.*	Do.		..
Delhi	*Nil.*	*Nil.*	0 12 0	41·76	..	Do.		61,790
Ajmer-Merwara	*Nil.*	*Nil.*	Tariff rate	(*b*)	..	Do.		1,029
Baluchistan	1. Murree Brewery Co., Ltd. Quetta.	62,381	0 12 0	47·00	59,925	1,348	..	518
Coorg	*Nil.*	*Nil.*	0 12 0	1·22	..	No Brewery.		1,635
C.M. S., Bangalore	1. United Breweries Ltd., C. and S. Bangalore.	155,224	0 12 0	84·42	113,955	24,521	24,561	*Nil*
Total		1,598,931	..	1,081·35	998,819	491,275	35,652	264,674

N. B. The difference in figures given in columns 7 and 9 is due to—
(1) Exclusion or inclusion, as the case may be, of amounts in transit at the beginning and end of 1934—35, and
(2) Loss by wastage in transit.

* Includes 12 per cent allowed for ullage.
† Exported to Mahe (French Possession in India).

(*a*) Actual collections in 1934-35.
(*b*) Information not available.

STATEMENT III.

Statement showing number of country spirit shops (in distillery as well as out-still area) per 100,000 of population and the average area per shop during the years 1912-13, 1933-34 and 1934-35.

Province.	Total number of country spirit shops during			Average area per country spirit shop (in sq. miles) during			Number of country spirit shops per 100,000 during		
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.
Madras Presidency	8,976	5,566	5,603	15·86	25·61	25·44	21·68	11·90	11·98
Bombay Presidency Proper	2,114	2,117	2,135	35·95	35·98	35·68	13·10	11·80	11·86
Sind	249	249	241	188·70	184·46	190·58	7·09	6·41	6·20
Bengal Presidency	1,287	†900	899	61·15	†80·57	80·66	2·83	1·80	1·80
Burma	130	216	250	1,775·68	1,081·97	934·82	1·07	1·47	1·71
Bihar and Orissa	2,088	1,753	1,861	39·84	47·42	44·67	6·05	4·65	4·93
United Provinces	4,742	2,574	2,534	22·62	41·28	41·93	10·13	5·32	5·24
Punjab	795	674	690	125·50	132·1	129·1	4·06	2·90	2·9
Central Provinces and Berar	3,759	1,927	1,934	26·56	51·83	51·83	27·01	12·43	12·47
Assam	188	254	265	282·00	199·29	191·02	2·80	2·93	3·06
N.-W. F. Province	37	30	30	362·65	448·83	448·83	1·68	1·26	1·26
Delhi	15	10	10	(a)	57·80	57·8	4·0	1·57	1·57
Ajmer-Merwara	128	112	112	21·18	24·20	24·20	25·52	19·98	19·98
Coorg	33	27	28	47·94	59·00	56·89	18·86	16·53	17·14
Baluchistan	62	42	44	874·65	1,118·09	1,067·27	14·96	10·29	10·78
TOTAL	24,603	16,451	16,636	44·30	66·30	65·51	10·09	6·07	6·12

(a) Not available.
† Revised figures.

STATEMENT IV.

Statement showing number of country spirit and tari shops in 1912-13, 1933-34 and 1934-35, respectively, and percentage of increase (+) or decrease (—) compared with the years 1912-13 and 1933-34.

Province.	Number of country spirit shops during			Percentage of increase (+) or decrease (—) of the number of country spirit shops over that of the year.		Number of shops* for retail sale of tari or other country fermented liquors during			Percentage of increase (+) or decrease (—) of the number of tari, etc., shops over the figures.	
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.
Madras Presidency	8,976	5,566	5,603	—37·58	+0·66	14,478	(a) 9,940	9,929	—31·42	—0·11
Bombay Presidency Proper.	2,114	2,117	2,135	+0·99	+0·85	1,042	1,261	1,284	+23·22	+1·82
Sind	249	249	241	—3·21	—3·21	4	9	9	+125·0	Stationary
Bengal Presidency	1,287	(a) *900	899	—30·14	—0·11	*2,260	*1,592	*1,596	—29·38	—0·25
Burma	130	216	250	+92·31	+15·74	1,098	838	853	—22·31	+1·79
Bihar and Orissa	2,088	1,753	1,861	—10·88	+6·16	8,012	7,815	9,027	+12·66	+15·50
United Provinces	4,742	2,574	2,534	—45·72	—1·55	3,023	(a) 1,528	1,523	—49·45	—0·33
Punjab	795	674	690	—15·2	+2·3	25	25	25	Stationary	Stationary
Central Provinces and Berar.	3,759	1,927	1,934	—48·55	+0·36	493	325	329	—33·27	+1·23
Assam	188	254	265	+40·95	+4·33	23	11	11	—52·17	..
N.-W. F. Province	37	30	30	—23·33	*Nil.*	..	..	..	..	..
Delhi	15	10	10	—33·3	*Nil.*	..	..	..	..	..
Ajmer-Merwara	128	112	112	—12·50	..	..	..	..	..	..
Coorg	33	27	28	—15·15	+3·70	88	43	44	—50·0	+2·33
Baluchistan	62	42	44	—29·03	+4·55	2	..	..	—100·0	Stationary
TOTAL	24,603	16,451	16,636	—32·38	+1·11	30,448	23,687	24,631	—19·10	+3·98

* The shop licenses figures exclude domestic consumption and hawking licenses for the sale of fresh (unfermented) tari.
(a) Revised figures.

Statement showing percentage of area under the out-still system and the percentage of

Province.	* 1912-13.					
	Population in thousands.	Population (in thousands) served by out-still.	Percentage of population served by out-still	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
	1911.	1912-13.	1912-13.	1911.	1912-13.	1912-13.
	1	2	3	4	5	6
Madras Presidency	41,405	1,410	3·41	142,330	18,847	13·24
Bombay Presidency Proper	16,137	22	14	75,933	805	1·06
Sind	3,513	...	...	46,986	...	...
Bengal Presidency	45,483	5,240	11·52	78,699	6,635	8·43
Burma	12,115	615	5·05	230,839	18,462	8·00
Bihar and Orissa	34,490	7,020	20·35	83,181	30,882	37·13
United Provinces‡	46,807	1,817	3·88	107,267	14,594	13·60
Punjab	19,579	...	...	99,779*	...	...
Central Provinces and Berar‡	13,916	1,442	10·36	99,823	20,580	22·62
Assam	6,714	644	9·59	53,015	14,157	26·70
North-West Frontier Province	2,197	...	...	2,197	...	...
Delhi	413	...	...	578	...	...
Ajmer-Merwara	...	...	...	...	...	...
Coorg	175	...	...	1,582	...	...
Baluchistan	414	70	16·90	54,228	10,315	19·02
TOTAL	243,358	18,280	7·50	1,076,437	135,277	12·41

* Including Delhi. ‡ Figures relate to calendar years except in the case of 1912-13.

MENT V.

population served by it during the years 1912-13, 1933-34 and 1934-35.

1933-34.						1934-35.					
Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still.	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.	Population (in thousands).	Population (in thousands) served by out-still.	Percentage of population served by out-still.	Total area (square miles).	Area under out-still (square miles).	Percentage of whole area under out-still.
1931.	1933-34.	1933-34.	1931.	1933-34.	1933-34.	1931.	1934-35.	1934-35.	1931.	1934-35.	1934-35.
7	8	9	10	11	12	13	14	15	16	17	18
46,740	1,568	3·35	142,277	17,267	12·14	46,740	1,568	3·35	142,277	17,267	12·14
17,992	20	0·11	76,178 (a)	309	0·4	17,992	4	0·02	76,178	5	0·006
3,887	...	...	45,930	...	...	3,887	...	...	49,930	...	...
49,901	...	...	72,514	...	...	49,901	...	...	72,514	...	...
14,667	51	0·39	233,707	1,409	0·60(a)	14,667	51	0·39	233,707	1,473	0·63
37,678	7,449	19·77	83,147 (a)	31,449	37·82 (a)	37,678	9,761	25·90	83,147	38,186	45·92
48,404	1,872	3·87	106,248	10,773	10·14	48,404	1,872	3·87	106,248	10,773	10·14
23,581	...	...	99,200 (a)	...	...	23,581	...	...	99,200	...	...
15,305	189	1·22	99,876	4,243	4·25	15,305	189	1·22	99,876	4,243	4·25
8,671	607	7·01	50,622	11,478	22·6	8,671	607	7·01	50,602	11,478	22·6
2,251	...	...	13,465 (a)	...	...	2,251	...	...	13,465	...	...
635	...	...	578	...	...	635	...	...	578	...	...
...	...	...	...	...	...	...	...	...	...	...	...
163	...	..	1,593	...	...	163	...	...	1,593	...	...
408	...	...	46,960	...	...	408	...	...	46,960	...	...
270,283	11,757	4·4	1,072,295	76,928	7·7	270,283	14,052	5·19	1,072,295	88,425	7·8

(a) Revised figure.

STATEMENT VI.

Statement showing the average total taxation both from duty and vend fees on country spirit per proof gallon in distillery areas during 1912-13, 1933-34 and 1934-35.

Province.	Average taxation per proof gallon of country spirit during								
	1912-13.			1933-34.			1934-35.		
	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.	By duty.	By vend fee.	Total.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras Presidency	5 12 0	2 3 7	7 15 7	9 8 10	6 1 5	15 10 3	9 7 4	5 8 2	14 15 6
Bombay Presidency Proper	5 1 6	0 10 4	5 11 10	9 12 8†	6 5 9†	16 2 5†	9 2 9	4 13 7	14 0 4
Sind	5 6 4	0 12 9	6 3 4	9 7 3	4 4 5	13 11 8	9 8 10	4 1 0	13 9 10
Bengal Presidency	4 7 10	2 15 0	7 6 10	12 15 6	2 1 5	15 0 11	10 12 7	2 4 0	13 0 7
Burma	4 4 0	1 14 8	6 2 8	5 7 10†	5 0 2†	10 8 0†	4 2 9	3 15 2	8 1 11
Bihar and Orissa	1 15 8	1 4 10	3 4 6	3 13 3	2 11 0	6 8 3	3 2 5	2 3 6	5 5 11
United Provinces	3 3 4	1 10 10	4 14 2	7 14 9	5 11 2	13 9 11	7 14 11	5 0 7	12 15 6
Punjab	5 0 0	3 9 10	8 9 10	6 4 0	5 7 2	11 11 2	6 4 0	4 6 0	10 10 0
Central Provinces and Berar*	3 11 3	2 8 1	6 3 4	5 11 10	2 5 1	8 0 11	5 8 10	2 10 9	8 3 7
Assam	3 2 1	2 7 3	5 9 4	5 12 6	2 10 3	8 6 9	5 12 6	2 5 3	8 1 9
N.-W. F. Province	5 0 0	4 4 6	9 4 6	7 8 0	8 10 5	16 2 5	7 9 9	6 6 1	13 15 10
Delhi	5 0 0	3 5 3	8 15 3	6 4 0	12 9 5	18 13 5	6 4 0	9 6 9	15 10 9
Ajmer-Merwara	4 1 10	1 11 10	5 13 8	7 4 8	1 3 8	8 8 4	7 5 7	1 3 1	8 8 8
Coorg	5 10 0	1 9 4	7 3 4	9 2 5	3 11 2	12 13 7	9 2 5	3 13 7	13 0 0
Baluchistan	5 1 4	1 9 1	6 10 5	7 6 9	1 14 11	9 5 8	7 7 2	1 13 0	9 4 2

* Figures relate to calendar years except in the case of 1912-13.

† Revised figure.

STATEMENT VII.

Statement showing revenue derived from country spirit (excluding revenue from country spirit issued to Indian States) during the years 1912-13, 1933-34 and 1934-35 and the percentage of increase (+) or decrease (—). [In lakhs of rupees].

Province.	Revenue from country spirit during									Percentage of increase (+) or decrease (—) of total revenue during 1934-35 compared with the figures of	
	1912-13.			1933-34.			1934-35.				
	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	In Distillery areas.	In Out-still areas.	Grand total.	1912-13.	1933-34.
Madras Presidency.	141·43	3·14	144·57	129·23	1·91	131·14	121·39	1·89	123·28	—14·73	—5·99
Bombay Presidency Proper.	145·75	0·08	145·83	168·90	0·44	169·34	146·39	0·0	146·39	+0·38	—13·55
Sind . .	14·13	..	14·13	13·84	..	13·84	14·83	..	14·83	+4·95	+7·15
Bengal Presidency	63·27	0·83	64·10	37·12	..	37·12	38·49	..	38·49	—39·18	+3·66
Burma . .	3·54	0·60	4·14	4·92	0·11	5·03	5·51	0·11	5·62	+35·75	+11·73
Bihar and Orissa	37·96	16·11	54·07	32·91	16·11	49·02	32·94	28·38	61·32	+13·40	+25·09
United Provinces	82·60	1·46	84·06	64·00	1·81	65·81	61·96	1·91	63·87	—24·02	—2·95
Punjab . .	41·61	..	41·61*	40·18	..	40·18	45·87	..	45·87	—3·4	+12·4
Central Provinces and Berar.‡	74·59	2·66	77·25	24·61	0·24	24·85	26·14	0·24	26·38	—65·85	+6·1
Assam . .	13·81	0·26	14·07	11·42	·69	12·11	10·91	0·71	11·62	—17·4	—4·04
N.-W. F. Province	2·23	..	2·23	3·86	..	3·86	4·02	..	4·02	+44·52	+3·98
Delhi . .	1·52	..	1·52	2·61	..	2·61	2·69	..	2·69	+78·1	+3·6
Ajmer-Merwara	3·03	..	3·03	5·41	..	5·41	5·64	..	5·64	+86·13	+4·25
Coorg . .	1·91	..	1·91	1·54	..	1·54	1·33	..	1·33	—0·30	—0·13
Baluchistan .	1·57	·08	1·65	3·05	..	3·05	3·04	..	3·04	+45·72	—0·33
TOTAL .	628·95	25·19	654·7	543·60	21·31	564·91	521·15	33·24	554·39	—15·35	—1·86

* Including Delhi.

‡ Figures relate to calendar years except in the case of 1912-13.

STATEMENT VIII.

Statement showing the average Excise revenue per head of population, the total Excise revenue, expenditure under Excise and the net receipts from Excise during the years 1912-13, 1933-34 and 1934-35.

Province.	Average Excise revenue per head of population (to the nearest pie). 1			Gross Excise revenue (in lakhs of rupees). 2			Total charges under Excise (in lakhs of rupees). 3			Net revenue from Excise. (in lakhs of rupees). 4		
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.
	Rs. a. p.	Rs. a. p.	Rs. a. p.									
Madras	0 12 9	0 14 9	0 14 6	330·29	429·60	423·69	18·13	33·83	34·31	312·16	395·77	389·38
Bombay Presidency Proper	1 2 0	1 10 11	1 8 11	188·65	‖335·76	315·10‖	10·27	‖47·97	46·15‖	178·38	287·79	268·95
Sind	0 10 6	0 11 10¶	0 12 6	23·19	30·31	31·97	0·40	4·26¶	4·08	22·79	26·29	27·89
Bengal Presidency	0 4 10	0 4 3	0 4 4	137·59	134·63	137·49	6·01	¶17·52	16·58	131·58	117·11¶	120·91
Burma	0 13 8	0 9 9	0 10 5	85·21	80·14	85·05	14·94	19·43	17·56	70·27	60·71	67·49
Bihar and Orissa	0 4 10	0 5 3	0 5 11	104·01	123·87	139·53	5·36	15·15	17·18	98·65	108·72	122·35
United Provinces	0 4 4	0 4 4	0 4 6	126·17	133·39	135·97	4·32	13·97	12·99	121·85	119·42	122·98
Punjab	0 5 2	0 6 5	0 6 10	(*a*) 65·73	(*b*)102·7	(*c*)101·20	2·13	17·26	18·01	63·60	84·55	90·39
Central Provinces and Berar	0 12 2	0 5 9	0 5 11	111·20	57·70*	57·81*	8·37	10·12*	9·15*	102·83	47·53†	48·60
Assam	0 11 9	0 6 5	0 5 11	48·52	35·12	32·30	1·15	5·13	4·95	47·37	28·96	26·65
N.-W. F. Province	0 3 8	0 5 5	0 5 3	4·04	8·32	8·20	0·14	1·03	0·98	3·90	7·28	7·22
Delhi	0 12 2	1 0 6	1 1 0	3·15	6·58‡	6·76	(*d*) 0·60	0·40	0·40	3·08	6·18	6·36
Ajmer-Merwara	0 11 3	1 2 11	1 3 10	3·52	6·65	6·97	·18	0·23	0·25	3·34	6·42	6·72
Coorg	1 6 7	1 8 4	1 6 11	2·47	2·48	2·34	0·08	0·09	0·10	2·39	2·38	2·24
Baluchistan	0 10 9	1 5 5	1 4 4	2·79	5·49	5·21	0·13	0·37	0·43	2·66	5·12	4·78
TOTAL	0 8 1	0 8 7	0 8 9	1,236·53	1,492·74	1,489·59	72·21	186·76	183·12	1,164·85	1,361·23	1,312.91

(*a*) Including Delhi.
(*b*) Includes :—
6·97 lakhs assignment of Government of India.
0·38 lakh credited by other Administration.

(*c*) Includes :—
6·97 lakhs assignment of the Government of India.
0·37 lakhs credited by other Administrations.
(*d*) Does not include assignments & confiscations.

* Inclusive of cost price of opium and hemp drug.
† Excluding refunds.
‡ Does not include still-head duty from the Punjab and U. P. by book transfer.

‖ Includes gross receipts and expenditure at the Nasik Distillery.
¶ Revised figures.

STATEMENT IX.

Statement showing the number of persons convicted for Excise and Opium offences during the years 1912-13, 1933-34 and 1934-35.

Province.	1912-13.		1933-34.		1934-35.	
	Total convictions.	Convictions per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.	Total convictions.	Convictions per 100,000 of total population.
Madras Presidency	11,813 cases	†	7,407	15·83	8,098 cases	17·31
Bombay Presidency Pruper	3,206 cases	†	6,617‡ cases	†	7,393	†
Sind	119	3·39	441	11·35	370	9·51
Bengal Presidency	3,016	6·63	12,979‡	26·00	12,400	24·84
Burma	8,866	73·18	10,010	68·25	10,427	71·09
Bihar and Orissa	1,580	4·58	4,103	10·88	4,105	10·88
United Provinces	2,010	4·29	4,061	8·39	4,542	9·38
Punjab	570	2·91	1,503	6·4	1,816	7·7
Central Provinces and Berar	768	5·52	*5,168	33·33	5,133*	33·10
Assam	349	5·20	2,018	23·1	2,298	26·5
N.-W. F. Province	58	2·64	174	7·21	191	7·81
Delhi	45	10·88	94	14·8	83	13·1
Ajmer-Merwara	77	15·36	29	5·17	43	7·67
Coorg	63	36·09	35	21·43	74	45·31
Baluchistan	13 (Cases of smuggling and 65 convictions for drunkenness.)	†	44	10·78	42	10·29

* Figures for calendar years.
†Information not available.
‡ Revised figures.

STATEMENT X.

Statement showing the number of convictions for offences relating to Country Spirit for the years 1912-13, 1933-34 and 1934-35.

Province.	1912-13.		1933-34.		1934-35.	
	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.	Convictions (total number).	Convictions per 100,000 of total population.
Madras Presidency	979‖	..	5,239‖	11·2	5,421‖	11·59
Bombay Presidency Proper	885	†	†	†	†	†
Sind	12	·34	200	5·15	180	4·63
Bengal Presidency	454	1·00	5,245	10·51	4,152	8·32
Burma	1,633	13·48	2,928	19·96	3,214	21·91
Bihar and Orissa	798	2·31	2,242	5·95	2,191	5·81
United Provinces	¶749	1·59	¶3,016	6·23	¶3,312	6·84
Punjab	264	1·35	1,291	5·5	1,402	5·9
Central Provinces and Berar	†	†	†	†	†	†
Assam	112	1·67	622	7·1	674	7·7
N.-W. F. Province	†	†	19	·78	23	·94
Delhi	1	0·24	42	6·6	30	4 7
Ajmer-Merwara	..	..	18	3·21	23	4·1
Coorg	26	15·85	35	21·43	59	36·12
Baluchistan	1 (Case of smuggling).	†	26	6·37	11	2·69

† Information not available.

‖ Cases of illicit distillation, possession and sale of illicitly distilled spirits reported.

¶ Offences.

STATEMENT XI.

Statement showing the total gross revenue of the Provinces, total revenue from Excise (excluding compensation and refunds), revenue from liquors and the percentages of revenue under Excise as well as Liquors to the total gross revenue during the years 1912-13, 1933-34 and 1934-35.

Province.	Total gross revenue. (In lakhs of rupees).			Excise revenue excluding compensation and refunds. (In lakhs of rupees).			Revenue derived from liquors. (In lakhs of rupees).			Percentage of the total gross revenue borne by the					
										Excise revenue in			Revenue from liquors in		
	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.	1912-13.	1933-34.	1934-35.
Madras Presidency	8,08·40	‖ 16,15·2	16,29·5	3,31·5	4,28·01	422·20	3,06·2*	3,78·1	373·4	41·0	26·5	25·9	37·9	23·4	22·9
Bombay Presidency	7,95·80	14,60·69	14,28·83	2,09·1	3,74·5	353·5	1,84·2	2,77·18	260·97	26·3	‡25·64	24·74	23·1	18·97	18·26
Sind	23·2	30·31	31·97	23·2	28·87‡	30·66	16·2	18·48	19·73	99·3	‡95·25	‡95·89	59·8	60·97	61·71
Bengal Presidency	7,16·5	9,05·73	11,02·73	1,37·50	1,32·9	135·4	82·8	69·04	71·98	19·23	†	†	11·6	†	†
Burma	6,08·3	10,43·3	10,08·1	81·1	80·1	85·0	42·9	44·0	47·0	13·3	7·7	8·4	7·1	4·2	4·7
Bihar and Orissa	3,35·2	4,96·5	537·4	1,03·8	1,23·65	139·32	68·4	74·7	89·47	31·0	24·9	25·92	20·4	15·0	16·65
United Provinces.	7,07·9	11,22·8	11,26·5	1,25·8	1,32·1	134·9	90·0	81·6	79·8	17·60	11·8	12·0	12·7	7·3	7·1
Punjab	5,09·5	10,38·02	10,66·26	69·8	84·55	89·82	46·0	50·62	56·03	6·0	8·1	8·4	3·9	4·9	5·2
Central Provinces and Berar	3,25·4	4,34·9	450·9	1,06·0	57·1	58·8	79·1	29·3	31·3	32·5	13·1	13·0	24·3	6·7	6·9
Assam	1,78·1	2,11·4	223·4	48·4	34·09	31·60	14·3	12·11	11·62	27·2	16·2	14·1	8·0	5·7	5·2
N.-W. F. Province	4·04	8·32	8·20	4·0	8·32	8·19	1·5	6·35	6·17	7·8	21·24	24·66	2·9	76·32	75·33
Delhi	‡2·15	70·15	74·00	3·14	(a)9·06	9·57	1·74	5·56	6·06	78·71	12·9	12·52	43·69	7·8	8·19
Ajmer-Merwara†	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Coorg	†	12·05	11·52	†	2·48	2·34	†	1·14	1·39	†	20·64	20·31	†	9·49	12·07
Baluchistan	16·56	20·70	23·01	2·79	5·49	5·21	2·27	4·28	4·08	16·85	26·52	22·64	13·71	20·68	17·73
TOTAL	50,31·05	84,69·97	76,22·32	12,46·13	15,01·22	15,06·51	9,35·61	10,52·46	10,59·0	24·46	17·72	19·52	18·36	12·42	13·88

* These figures include revenue from licence fees for hemp drugs but not duty.
† Figures not available.
‡ Revised figure.
‖ Represents preliminary figures furnished by the A. G., Madras.
(a) Includes duty on liquor imported into Delhi.

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